Published with The New York Times and The Washington Post

No. 30.698

PARIS, THURSDAY, OCTOBER 29, 1981

Established 1887

# Senate Backs Reagan on AWACS Sale

# Millions of Polish Workers Join 1-Hour Protest Strike

Washington Post Service
WARSAW — Millions of Polish workers Wednesday took part in a one-hour strike organized by the independent Solidarity trade union to protest the Communist govern-ment's economic policies and al-leged harassment of union activ-

Solidarity officials claimed that the nationwide strike, the biggest single action to be staged by the union in seven months, was a dramatic success. On the basis of reports from factories, mines and public transportation companies throughout Poland, the union's information agency in Warsaw said the protest had attracted between 90 and 100 percent support.

These figures were disputed by Communist Party officials. They did however, concede that many rank-and-file party members had joined the strike in defiance of instructions from the party leader-

ship.
The strike was denounced as a political provocation by the new Communist Party chief, Gen. Wojciech Jaruzelski, at a meeting of the policy-making Central Com-mittee in Warsaw. The army newspaper, Zolnierz Wolnosci, descrìbed it as "blackmail ... designed to push Poland into crises reminiscent of Hungary in 1956 and Czechoslovakia in 1968," reform movements were crushed by Soviet intervention.

#### **Demonstration of Support**

Western analysts saw the strike as an impressive demonstration of public support for Solidarity de-spite Poland's mounting economic difficulties and political tensions. It appeared to disprove sugges-tions that the union's standing in the country had been seriously undermitted as a result of wide-

spread food shortages.

The timing of the strike clearly complicated Gen. Januzelski's efforts to restiage the government and party leadership. Addressing the Central Committee, he indicated that major personnel changes had been postponed for the time

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Using a military metaphor, he said: Today we find ourselves under extremely heavy fire from the concert - and one does not car-

A promised shakeup in the party Politburo was confined to the election of the deputy defense minister and army chief of staff, Gen. Flori-an Siwicki, to the 15-man body. The move was seen as yet another step toward the increasing involve-ment of the army in public life.

Action to Limit Strikes

Another party leader, Politburo member Kazimierz Barcikowski, raised the prospect of new, but still undefined action against Solidarity should the union not halt the industrial unrest now sweeping the country. He said the Sejm would be taking action to limit strikes at its meeting on Friday.

He added: "Should Solidarity's ing red and white armbands, conduct remain unchanged, other In schools, teachers staged a

By Bernard Gwertzman

New York Times Service

WASHINGTON — The admin-

istration has announced it would supply Poland with \$29 million in

surplus dairy products to help that

country resolve its "pressing diffi-

culties peacefully and without for-

In addition, well-placed officials said another \$50 million in food

aid was being planned for early next year. In the past year the United States has given Poland \$741 million in credits and food.

Private Donations

Tuesday the \$29 million in urgently needed food aid would

consist of butter, dry milk and

cheese from Department of Agriculture stocks for use in pre-school

feeding programs in Poland. The

undertaking will be managed by

CARE, the private American relief

The decision to go ahead with

additional food aid was made as

the Resgan administration looked

with concern on the continuing po-

litical crisis in Poland, with the

U.S. Will Send Poland

'Urgent' Food Supplies

ry out a broad maneuver while un-der fire." far-reaching decisions designed to protect the vital interests of the nation and state will become indis-

At a meeting last week, the Cen-tral Committee called on the Seim to pass a law temporarily banning strikes. But an outright ban has been opposed by the small Demo-cratic Party, the Communist Party's junior coalition partner, and it is not clear whether it will be accepted in its original form by the legislature.

Wednesday's nationwide strike began at noon with the sounding of factory sirens all over Poland. Health services, radio and television, and electricity plants were exempted from the protest but workers showed their support by wear-

again in potential confrontation

with the Polish government and

In addition to the government

aid, the State Department said that at the end of last week, the Poles received a shipment of 2,565 tons

of dry milk, 664 tons of frozen tur-

keys and 113 tons of baby food

provided through private dona-

continuing humanitarian concern for the well-being of the people of

Poland and our confidence that

they will succeed in resolving their pressing difficulties peacefully and

without foreign interference," the

Officials said the United States

the internal turmoil in Poland so

as not to give the Russians any ad-

ditional reasons for intervention.

There have been continuing re-ports reaching the State Depart-

ment that the Soviet leadership be-

lieves the United States has been

backing the Solidarity movement

in the hope of bringing about cha-

State Department said.

os in the country.

These actions demonstrate our

Communist Party.

symbolic protest by suspending normal classes and instead explaining to pupils the reasons for the strike. Solidarity has demand-ed the establishment of an independent socio-economic council to monitor the government's economic policies and called for a halt to the prosecution of union activists and closure of uncensored union

In calling for a nationwide strike, Solidarity leaders also ap-pealed for an end to uncoordinated local protests.

Addressing strikers at an elec-tric-lightbulb factory in Warsaw, Solidarity leader Lech Walesa said he hoped the strike would be the last of its kind. In future, he said, the union should organize "active" strikes by temporarily taking over the role of management and distributing goods directly.

#### Jaruzelski Assures Brezlmey

MOSCOW (Renters) — Gen. Jaruzelski has assured Soviet President Leonid I. Brezhnev that the Polish party considers the defense of ties with Moscow as its highest

In a telegram addressed to Mr. Brezhnev, the Polish leader thanked the Soviet Union for its "help and understanding" during Poland's political and economic difficulties. It was his first published message to Moscow since he was elected party leader on Oct.

We consider the effective defense of Socialism, the further deepening of friendship between our nations and the fraternal alliance of our parties and states our highest duty," the message said.

#### East Germany Attacks Union

BERLIN (AP) - The East Geragency Wednesday lutionary leadership" of seeking to plunge Poland into chaos through one-hour national warning In a dispatch from Warsaw

ADN charged the union with using "psychological terror" in a campaign aimed at "setting aside Socialism in Poland and seizing

# Saudis Urge Arab Governments Not to Pressure Egyptian Leader

By Ihsan A. Hijazi

Vew York Times Service BEIRUT — Saudi Arabia has called for a reconciliation with Egypt and has urged Arab states not to bring pressure to bear on President Hosni Mubarak to force him to abrogate the peace treaty

The call was made Tuesday in a front page editorial in the Saudi newspaper Al Madina. All media in the Saudi kingom are under direct government control.

[West Germany and Saudi Ara-bia Wednesday called for support for the Egyptian president, a Bonn-government spokesman said, according to Reiners.

[He said that Saudi Crown Prince Fahd had expressed his lor Helmut Schmidt during a brief stopover in Bonn on his way back from the North-South summit conference in Cancún, Mexico.

["They agreed that the new Egyptian president deserved trust. Both heads of government called for support for the political line of the Egyptian president," spokesman said.]

The Saudi newspaper said that Mr. Mubarak should be given a one-year grace period to put the

Despite the one-hour strike proclaimed by Solidarity Wednesday, it was business as usual at this

tics stand in Warsaw's biggest supermarket. Some plants and stores did not close.

Egyptian house in order.
We do not and must not expect President Mubarak to abrogate the Camp David agreements at this time for a number of reasons which are understood by those ac-quainted with international convention," the newspaper said.

The editorial was taken by analysts here as evidence of the desire of conservative Arab regimes to reestablish relations with Cairo.

#### Similar Views in Kuwait

The press in Kuwait had expressed similar views. The teading Kuwaiti daily, As Siyassah, warned the Arabs that forcing Mr. Mubarak to renege on the peace Jerusalem as an excuse not to withdraw from the rest of the Sinai as scheduled in April.

Sandi Arabia and Kuwait were among the Arab states which severed all diplomatic, political and economic ties with Egypt in 1979 after the late President Sadat concluded the peace treaty with Is-

Analysis noted that the readiness by certain Arab regimes to forget the past with Egypt showed that they now take the Egyptian-Israeli peace treaty as an accomplished fact.

However, other Arab governments and the Palestine Liberation Organization have taken an oppo site stand. Iraq, Syria, Libya and the PLO have warned against any overtures toward Mr. Mubarak as long as he maintains his relations with the Israelis.

The Saudi stance on the Middle East has become a subject of controversy in the Arab world, which is now divided over the proposals presented in August by Crown

Syria, Libya, Algeria and Iraq eight-point plan, which called. among other things, for the creation of an independent Palestinian state on the West Bank of the Jordan River and in the Gaza Strip, currently under Israeli occupation, and recognition of the right of every state in the region to live in peace. It was assumed that the latter provision covered Israel.

# **President** Wins Test 52 to 48

WASHINGTON — The Senate approved President Reagan's record \$8.5-billion AWACS sale to Saudi Arabia on Wednesday. crowning an intensive lobbying effort that reversed long cdds and delivered a stunning victory in the president's first major foreign poli-

cy test in Congress.

The Senate rejected 52 to 48 a veto resolution that would have scrapped the sale of the sophisticated Airborne Warning and Con-trol System radar planes and F-15 jet weapoury to the Saudis. The president needed 50 votes; a tie

would have gone to him.

The House voted 301 to 111 against the package two weeks ago, and, as late as Tuesday. Senate op-ponents remained confident that they had more than enough support to do the same. For the sale to be blocked, both houses would have had to veto it by a majority of

members voting.
Earlier, the president told the Senate in a letter that the sale is invaluable to U.S. security interests, "improving both our strategic posture and the prospects for peace in the Middle East."

But opponents called it a threat to Israel and fuel for a Middle East arms race, and said it posed a risk of losing secret AWACS and mis-sile technology to the Soviet Union or radical Arab nations if the Saugovernment were overthrown. Mr. Reagan called it a test of his command of U.S. foreign policy.

Fuel for anti-Semitism seen in AWACS controversy. Page 3.

The package involves not only the sale of five AWACS planes to Saudi Arabia, but also 1,177 Sidewinder missiles, 101 fuel pods and six flying tankers 10 stretch the range and firepower of the F-15 jets that the Saudis already

The president devoted Wednesday to buttonholing senators: two were summoned for private talks in Mr. Reagan's study. The lobbying campaign rivaled the intensity of his successful effort to cut government spending and taxes.

"He makes persuasive arguments based on the fact that we only have one president of the United States at a time," Sen. Edward Zorinsky, a conservative Democrat from Nebraska, said after 40 minutes with Mr. Reagan. 'He indicated that it is difficult for him to conduct foreign policy with

a defeat of this nature." At least three Republican opponents switched to Mr. Reagan on Wednesday: Slade Gorton of Washington state, William S. Cohen of Maine and Mark Andrews of North Dakota.

Hours before the vote, Mr. Reagan declared in his letter to the Senate that the sale is no threat to Israel and that Americans will be involved in the Saudi operations

well into the 1990s." Earlier Wednesday, House Speaker Thomas P. O'Neill Jr. Democrat of Massachusetts, expressed amazement over how Mr. Reagan reversed the tide in the Senate from what once seemed sure rejection. "He is showing awesome power," Rep. O'Neill said.

The senators debated the issue right until the bells rang out summoning them to the vote. Arizona Republican Barry M. (Continued on Page 2, Col.5)

#### Air France Plane Is Intercepted by Syrian Fighters

DAMASCUS - Syrian fighter planes forced an Air France Boeing 747 to land at Damascus airport Wednesday night because it was on an unauthorized flight path, the Syrian news agency Sana

reported. It said the plane was later allowed to resume its journey after the pilot apologized for his mistake. The airliner was on a routine flight from Paris to Karachi when

Syrian fighters intercepted it and forced it to land In Paris, an Air France spoker man said the plane had nearly 300 people aboard. "We think it's over," the spokesman said. "The Air France pilot told us the Syr-

ians forced him to land after he accidently crossed restricted space. They've told him he can continue after taking on fuel." He added: We still don't know the details of what restricted space he went over, whether it was civilian or military and what caused the error." The Associated Press, reporting

from Damascus, quoted an official source as saying that the Air France jet was intercepted after it strayed off course over Lebanon's Bekaa Valley, where Syrian anti-aircraft missile batteries are sta-



Soviet submarine of Whiskey class ran aground in Swedish waters in archipelago near Karlskrona.

# Soviet Ships Reported Off Sweden After Sub Is Grounded Near Base

STOCKHOLM - A Soviet naval force of about 10 ships was reported to have appeared at Sweden's territorial limit Wednesday night, off the prohibited military zone where a Soviet submarine was stranded earlier in the day.

Swedish authorities ordered naval and air reinforcements to the area. But they played down the possibility of a naval confronta-tion following Sweden's refusal to allow the Soviet Union to send assistance to its grounded sub. The Soviet submarine was grounded near a top-secret naval base area off the city of Karlskrona.

'Out of Ouestion'

Diplomatic conversations were reported under way after Sweden lodged a sharp protest against the submarine's illegal entry. The Swedish defense minister called the incident "the worst Soviet violation of Swedish territorial waters in postwar years."

Rear Adm. Bengt Schuback, the chief of the Swedish defense staff, earlier called the intrusion "unique" and said that Soviet as- prohibited area of the southeast

sistance for the disabled sub was Swedish archipelago Tuesday "out of question."
[The Soviet Union maintained a

strict silence Wednesday on the grounding of its submarine, but diplomats said that the incident could be politically damaging for the Kremlin, Reuters reported from Moscow Neither Tass nor Soviet televi-

sion made any mention of the incident nor of the Swedish diplomatic protest. Soviet officials refused Diplomats said that Moscow

may be all the more embarrassed by the affair because it has been trying to convince Sweden and other Scandinavian countries to agree to set up a nuclear weaponsfree zone in the region. The Kremlin's main argument

that there is Soviet threat to the Scandinavian states would lose its credibility in the face of what appeared to be evidence of military espionage on Swedish defense installations, the diplomats said.] The Soviet submarine, of the

small-size "Whiskey" type, carries a 50-man crew. It sailed into the

night and was firmly grounded. At daylight Wednesday, Swedish fishermen spotted the sub flying the Soviet naval flag after it obviously had been trying desperately to get off the ground throughout the night. This was the first time a Soviet submarine had

been caught in a Swedish prohibit-ed area and identified. The flotilla which moved to the Swedish territorial limit of 12 nautical miles off Karlskrona late Wednesday consisted mostly of submarine salvage and assistance vessels, but also included two destroyer-type warships. Swedish na-

The Swedish Navy has three or four torpedo boats and a few coast guard patrol vessels and helicop ters guarding the area. A Swedish naval force of more small ships was steaming at top speed south from Stockholm, the spokesmen announced Adm. Schuback said that "it

would be completely fantastic to imagine some sort of Soviet naval action in peace time to free the (Continued on Page 2, Col. 2)

#### INSIDE Plenty of Kicks

#### So rapidly has cocaine become

the "drug of choice" among Americans that last year it surpassed marijuana for the first time as the largest producer of illicit income in the United States — and by a huge margin. Page 5.

# Diet Problem

An eating pattern that resembles the Roman orgy — a prolonged feast interspersed with periodic purging — has be-come routine for growing numbers of young women. A report in Insights deals with the troubling phenomenon. Page 6.

#### Focus on Spain

Spain's isolation is coming to an end, and the process is arousing a number of lively debates, especially on the questions of participation in the EEC and NATO. A special supplement on Spain appears on Pages 7S-11S, and Wednesday's developments in the Cortes debate are reported on Page 5.

#### U.S. Planes in Greece, Instead of Heading North, Veer South to Listen In on Libya PAGE viewer earlier this week that he would not act

By Loren Jenkins Washington Post Service

CLASSIM ATHENS - Hardly a day goes by without a special U.S. Air Force electronics surveillance plane taxing out outo the runway of the Athens International Airport here and, between the busy comings and goings of regular commercial aidin-crs, lumbering off into the sky over the blue Aege-

The plane, of a generation that predates the so-phisticated AWACS (Airborne Warning and Air Control Systems) jets so much in the public debate these days, is one of two operating regularly from the U.S. Air Force base at Hellenikon, a facility so small and cramped by the mushrooming Athenian suburbs that its only available run-

way is that of the adjacent international airport, The special U.S. planes have been flying out of here so long that their appearance on the runway among the commercial jetliners raises no more eyebrows than the latest charter flight from Stockholm arriving full of pale tourists seeking a tan on one of the nearby Mediterranean islands.

Neither is there any mystery that the jets' mission is one of electronic spying, listening to radio communications far beyond the frontiers of bos-

tile territories it dare not fly over. But what is not generally known is that once the spy planes are in the air they rarely turn north to listen in to radio conversations behind the borders of the Soviet Union and its Warsaw Pact allies as is normally believed.

Instead, more often than not, they veer south toward North Africa to listen in on communications in Col. Moamer Qadhafi's Libya, the Reagan administration's chief enemy in the Medi-

The electronic eavesdropping on Libya conducted from U.S. bases in Greece is not something U.S. officials have ever liked to talk about. Since the landslide victory of Premier Andreas Papandreou and his Pan-Hellenic Socialist movement in national elections 10 days ago, it is a subject that actually makes U.S. officials squirm.

There is good reason for their discomfiture. Mr. Papandreou and his party, Pasok, ran for election on a platform that included as a major plank the closure of U.S. bases in Greece. Pasok's nationalistic and often neutralistic foreign policy also advocated Greece's withdrawal from the North Atlantic Treaty Organization. Successive conservative Greek governments have defended the retention of the U.S. bases on the ground that they enhance the defense of the Atlantic alliance as well as Greece's own security from a common Communist threat from the Soviet Union and its Warsaw Pact allies to the north.

But despite Washington's obsession with Libya, by no stretch of the imagination can it be said to fall under NATO's mandate. It also is hardly viewed as a threat to Greece by Mr. Papandreou who has made close identification with the Third World, especially the Arab states like Libya that ring the eastern and southern edges of the Mediterranean, a canon of his foreign policy faith.

Having been sworn in a week ago as both premier and defense minister, Mr. Papandreou should have learned by now in briefings from his defense chiefs that at least two of the U.S. bases he has so long challenged - the U.S. Air Force installation at Hellemkon and an Air Force-run fixed radio communications monitoring installation near Heraklion on the island of Crete -- are spending more time listening in on Libya than on NATO's Communist opponents in the north.

Such news is not believed to have been gratifying to the new Socialist premier. In his only comment on the U.S. bases since his election, Mr. Papandreou told a U.S. television network inter-

"unilaterally" to close the bases and is ready to seek negotiations on the basis under which they could continue operations in the short term. He added, however, that he would insist on some form of Greek "control and information" on the bases to prevent "a military operation from Greek soil against any third country with which Greece has good relations."

By comparison with other U.S. bases abroad the Greek installations that have fired so many political tempers are small. They contain about 3,500 U.S. military personnel and as many dependents. Most of the U.S. military presence is based in and around Athens where both the air base of Hellenikon and a U.S. Navy communications base at Nea Makri are situated. The other two bases are on opposite ends of the island of Crete: a U.S. Air Force radio monitoring installation outside of Heraklion and a Navy landing strip and fleet supply depot outside the Greek Navy base of Souda Bay, one of the Mediter-

ranean's largest and most secure anchorages. Significantly, the first foreign diplomatic envoys to be granted an audience with Mr. Papandreou after his election were representatives of

Syria, Algeria, Iraq, the Palestine Liberation Organization and Libya. Before the windup of his campaign, Mr. Papan-

dreou stated that he would be prepared to negotiate control of the bases and the basis under which they would be allowed to stay "for some time."
He has since indicated that he is in no hurry to tackle the issue.

#### Papandreou, U.S. Envoy Meet

ATHENS (Reuters) - Mr. Papandreou held his first talks Wednesday with U.S. Ambassador Monteagle Stearns. In comments after the meeting, neither man broached the question of U.S. bases in Greece, but Mr. Papandreou said in in-terviews later that he expected to begin negotiations early next year with the United States.

A conservative Athens daily, Kathimerini, said Wednesday that Mr. Papandreou may be invited to visit the United States before the end of the year. The newspaper said both governments con-sidered it expedient that a meeting at the highest level take place before the opening of negotiations

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#### **Military Commands** Would Lose Control

By Joseph Fitchett

ational Herold Tribune PARIS - A detailed study of U.S. and Soviet systems for issuing orders in a nuclear war concludes that it is impossible for either superpower to envisage waging and winning a limited nuclear war.

Once a nuclear war started, the study says, leaders on both sides probably would quickly lose the ability to control any escalation of hostilities as their ammand and control facilities were knocked out of action and leaders came under political pressure to act, according to the study.

proach to nuclear strategy — lies at the heart of the current Western debate about nuclear weapons. Disarmament groups have accused the United States of adopting weapons and plans for a limited nuclear war in Europe.

The study, written by Australian researcher Desmond Ball and published by the International Institute for Strategic Studies in London, concludes that "there can really be no possibility of controlling nuclear war" once it starts. This conclusion runs counter to

the argument that the superpowers are making preparations for a nu-clear war confined to Europe. Such a strategy, the study says, is im-"Nuclear weapons are simply

too powerful and have too many [unpredictable] effects to be used in a precise and discriminatory fashion." Mr. Ball wrote. Western strategists have con-tended that limited nuclear strikes

have to be envisaged as part of the overall concept of deterrence, but Mr. Ball said that this is unrealistic. First, command facilities are too vulnerable, and, second, it is doubtful whether the Soviet Union would cooperate in any U.S. attempt to limit nuclear exchanges,

#### Leaflets in Haiti Call On Military to Rebel

The Associated Press PORT-AU-PRINCE, Haiti - A small plane has dropped thou-sands of leaflets over this capital city, calling on the military to rebel against the president-for-life. Jean-Claude Duvalier, authorities say. An official spokesman said Tuesday that the leaflets were

dropped early Monday and that police and soldiers were dispatched to clean them off city streets. According to the leaflets, a man named Bernard Sansaricq an-nounced the formation of a National Haitian Popular Party.

# Hong Kong Trying to Reduce Tons of Litter

HONG KONG — The government has launched a multimillion-dollar campaign aimed at cleaning up Hong Kong.

The goal is to rid the colony of the thousands of tons of garbage casually dropped or deliberately dumped on streets and into the harbor and to discipline the 5,000 people who are caught littering each month.

Some of Hong Kong's mess can be blamed on the dust and dirt from construction sites that are just about everywhere in the colony: From bits and pieces that fall off the backs of trucks to the discarded material that inevitably accompanies building projects.

But much more accumulates from street hawkers and shopkeepers who illegally deposit their baskets of garbage at the most convenient spot, which is not usually an authorized dump.

And there are those who take the shortcut to garbage disposal in high rise apartment

blocks by simply chucking it out of the window or down the stairwell.

The government has set aside 16 million Hong Kong dollars (about \$3 million) for the 14-month campaign, plus 47 million Hong Kong dollars (about \$8 million) for local administrations to buy and install new

To back up its campaign slogan, "Cleanli-ness is a Way of Life," the government will increase penalties for littering, employ several hundred extra persons, extend the authority of those who can issue summonses on offenders and try to educate Hong Kong's 5 million people into being more tidy.

"We want the community to be ashamed to litter," said campaign coordinator Martin Lewis.

He said that about 16,000 government officials would be involved in the campaign. He added that while the maximum fine for tossing litter in the street was 1,000 Hong Kong dollars (\$165), the average fine imposed in court was 100 Hong Kong dollars (\$16) and the cost of prosecuting 150 Hong Kong dollars (\$25).

Hong Kong's garbage problem is probably no worse than that of many other Asian cities. But the concentration of people in such a small area — with 4,850 people per square kilometer, it is one of the most densely populated places in the world - makes it more

Many callers to phone-in television pro-grams cite the example of Singapore as a place of comparable size that managed within a short time to tidy itself up and can now boast an image of being Asia's cleanest coun-

However, many doubt that Hong Kong's colonial administration will be able to apply Singapore's strong-arm techniques, which in-cluded public embarrassment for an offender, swift direct action by police on litter bugs and very heavy fines.

# The issues raised by the study—the planning for limited nuclear war and the feasibility of this ap-

International Herald Tribune GENEVA - The office of the UN High Commissioner for Refugees and the International Com-mittee of the Red Cross have presented the Thai government with a detailed proposal for a six-month, \$3.7-million program to curb the growing incidence of pirate attacks on Vietnamese boat people in the Gulf of Thailand.

According to diplomatic sources, the proposal was put to the chief of the Thai security council at the UNHCR's executive committee, which met in Geneva two weeks ago. It was presented Tuesday to the ambassadors of 12 Western governments including Britain, France and the United States, and also to the ambassa-dors of Thailand and Malaysia. Diplomats in Geneva said the aim of the progam will be to

(Continued from Page 1)

sub. However, we are prepared for

everything and would stop any such effort with force.".

Swedish Foreign Minister Ola Ullsten, who is also the command-

er in chief, later also said that it

was impossible to allow the Rus-

sians to enter the military area

with salvage ships to refloat the sub. This would have to be done

by Swedish salvage ships, already sent to the area, Swedish officials

The Soviet submarine's captain

claimed earlier Wednesday that he had "misnavigated" because of a faulty gyro compass and the fog.

Swedish military and government

"We cannot accept that and await another explanation," Mr.

Ullsten said. The foreign minister submarine.

officials rejected this explanation.

erament's full support.

He added that he had the gov-

Soviet Sub Runs Aground

funded, anti-piracy patrols conducted by the Thai armed forces. This program expired after six months of operation in July, when a U.S. offer of \$600,000 was reject-

ed by the Thais as insufficient. The joint operation comprised a coast guard cutter, a converted Vietnamese refugee boat and two aircraft. Under the first stage of the new program, another patrol boat would be added, at a cost of \$800,000. Diplomats said that the total bill for another six months would total \$3.7 million.

Ultimately, however, the agen-cies have proposed that the Gulf of Thailand be divided into four sectors. Each sector would be patrolled by a boat of at least 1,000 tons aided by a fast patrol boat and sophisticated communications

called Soviet Ambassador Mikhail

Jakovlev to the Foreign Ministry

to personally deliver a strong pro-

Mr. Jakovlev, a former high na-

val officer, refused to answer any

questions when he left the Foreign Ministry.

Compromise Neutrality

cusations against the United States

for "trying to compromise Sweden's neutrality" when Secretary of Defense Caspar W. Weinberger

paid Sweden an unprecedented visit Oct. 16.

The last time a Soviet-bloc sub-

marine violated Swedish waters

was a year ago. It played hide-and-

seek with Swedish naval and air

forces for three weeks before leav-

ing Swedish territory. At the time, the Swedish Navy dropped about

20 warning depth charges near the

The incident followed Soviet ac-

Diplomats said the Thais were expected to indicate whether the boats would continue to be manned by Thai military personnel or in cooperation with other states in the region, or - a third possibility — by nations which donate the vessels.

To the alarm of the UNHCR, the rate of attacks by pirates on Vietnamese refugees has increased this year. According to UNHCR statistics, 346 Vietnamese women were raped by pirates in attacks between March and September of this year compared to 326 in the same period last year, and 148 refugees were abducted, up from 43 in 1980. Of the 324 refugee boats which arrived in Thailand, many were attacked several times.

Diplomats said that there was

#### Italians Reopen Case of Missing Lebanese Imam

ROME - Italian authorities have reopened inquiries into the disappearance of Imam Musa Sadr, the leader of Lebanon's Shiite Moslems, who vanished without trace on a trip from Tripoli to Rome in September, 1978.

Justice sources said the imam's wife and the wives of two companions who also disappeared had identified clothes found at the time by police in a hotel as belonging to

Although the men's higgage had been deposited at the hotel, they themselves were never seen in Italy. The three women traveled here from Beirut and were interviewed Tuesday. Justice sources said they had clearly identified the contents of the luggage.

also continue with 24-hour surveil- the most generous of all Southeast Asian countries in receiving refu-

> Despite this, the Thais have let it be known that they see the pirates as one of the few deterrents on Vietnamese refugees reaching their shores —an attitude which UN officials said was inhuman and also underestimated the determination of the Vietnamese, 58,285 of whom fled Viennam in the first seven months of this year — only mar-ginally less than the 75,833 who left last year.

Diplomats said the agencies were confident that they could raise over \$5 million annually from the 12 Western governments, which have taken the unusual step of creating an informal working group on the problem of piracy and have met in Geneva several times in the last four months.

#### Charge Dropped Against Le Monde The Associated Press

PARIS — Charges have been dropped against the newspaper Le Monde, which had been accused of "casting discredit" on the French court system during the term of former President Valery Giscard d'Estaing in articles suggesting that the courts could be arbitrary and politically motivated.

A Paris court closed the case Monday against publisher Jacques Fauvet and reporter Philippe Boucher, who had written most of the incriminated articles, as part of the amnesty granted after the May 10 presidential election in which cialist Francois Mitterrand de-

feated Mr. Giscard d'Estaing.
The court did not consider the merits of the case nor of of the little-used 19th century law under which former Justice Minister Alain Peyrelitte accused the newspaper of "attacking the authority and independence of the judici-

# Unesco Press Issue

WASHINGTON — President Reagan's nominee as U.S. ambas-sador to Unesco has promised to fight any attempts to restrict free-dom of the press, such as licensing

Any attempt at infringement of what we understand as First Amendment rights and particularly at adopting restrictive measures such as licensing of journalists by governments will be resisted uncompromisingly and without hesi-tation." Jean Gerard told the Senate Foreign Relations Committee

on Tuesday.

Mrs. Gerard told the committee she expected that press issues would take a large proportion of

## Angola Says Town Hit by South Africa

#### Western Group Meets Leaders in Cape Town

LISBON - The Angolan Defense Ministry has charged that South African troops, under heavy air cover, attached a town deep inside southern Canene province during the 24-hour visit to I uanda of Western representatives seeking independence for South-West Africa (Namibia).

South Africa said Wednesday that it has no forces in Angola and described the Angolan report, which came late Tuesday, as blatant lies and pro-Soviet propagan-

In Cape Town, meanwhile, the Western group conferred for four hours with leaders of South Africa's white-minority government on a plan to institute a constitution in Namibia and bring the territory to independence under black-majori ty rule next year. In Windhoek, Namibia's capital, where the Western delegates were to go later Wednesday, white rightists de-nounced the plan.

An account of the Angolan Defense Ministry announcement, car-ned by the Angolan news agency and received Wednesday in Lisbon, said airborne South African troops were dropped Monday out-side Cahama, about 124 miles (200 kilometers) north of Angola's border with Namibia.

The UN-sponsored Western "contact group." representing the United States, Canada, France, West Germany and Britain, arrived from Nigeria for talks with Angolan officials and Namibian guerrilla leaders the same day.

The ministry report said South African aircraft attacked Angolan positions around Cahama in the arly morning before helicopters dropped troops by two outlying

villages.
The Defense Ministry said "violent combat" between its troops and the South Africans continued through Tuesday. It said Angolan forces shot down two South African Impala MK-2 aircraft and a Puma helicopter.

In Luanda the Western group had separate meetings with high-level delegations from the Angolan government and the South-West African People's Organization (SWAPO) on new proposals for an end to South African rule over

A South African spokesman responded to the Angolan report, "If heavy fighting is really taking place in southern Angola...it must be a case of mistaken identity. We deny we have any occupying forces in Angola."

South Africa conducted a major military incursion into Angola two months ago against SWAPO bases but has denied subsequent Angolan assertions that South African troops continue to raid or hold parts of Angola.

In Windhoek, about 1,000 peo-U.S. Nominee Cites ple attended a rally Tuesday night at which rightist white leaders con-

"We do not recognize the authority of the United Nations over South-West Africa," said Sarel Becker, leader of the Herstigte National Party.

Referring to UN military per-sonnel expected to be placed in

Namibia to ensure that South Afri-can and SWAPO forces stop fight-ing, Mr. Becker said, "If UN forces arrive in South-West Africa, we will view them as enemy troops and an occupation force."

Peter Kalangula, president of the multiracial Democratic Turnhalle Alliance, Namibia's largest internal political party, gave the latest Western plan his personal endorsement "I find no fault with that document. It is very

# WORLD NEWS BRIEFS Salim Apparently Out of UN Race NITTED NATIONS NV Resters

Ahmed Salim appeared to have been eliminated Wednesday in his bid to become secretary general of the United Nations as other candidates prepared to present themselves.

In two rounds of secret balloting Wednesday in the Security Council, incumbent Kurt Waldheim was again vetoed. Diplomats said China had cast the veto. Mr. Salim was also vetoed; reportedly by the United States, and then fell short of the nine votes needed in the 15-nation security council. Representatives of member states of the Organization of African Unity, for whom he was official candidate, were expected to discuss whether to support another candidate, perhaps a Latin American.

The Security Council was recessed until Friday, and Jeane J. Kirkpatrick, the U.S. chief delegate, appeared to open the door to other possibilities when she said she hoped the recess would be long enough to permit others to make clear that they would run for the office.

#### Thatcher Bars New Economic Policy

LONDON - Prime Minister Margaret Thatcher on Wednesday rejected opposition demands for radical policies to solve Britain's economic oblems and said her government was resolute in pursuing its strategy. Mrs. Thatcher, defending her monetarist policies against a parliamentary no-confidence motion for the second time in three months, told the House of Commons: "We are resolute in pursuit of the strategy but accusations that we are inflexible in our tactics in the face of a rec are wholly unfounded."

Her policies are blamed by the Labor Party for an unemployment level of nearly 3 million. Labor leader Michael Foot: "We say this government has not the confidence, the will, the imagination or the humanity to solve these problems, and therefore, we invite this house and the country to throw them out."

#### Air Controllers Union Ends Strike

WASHINGTON — The Professional Air Traffic Controllers Organization on Wednesday declared an official end to its three-month strike in the hope of strengthening the court appeal of its decertification. However, administration officials said the surrender would change nothing and the 11,500 strikers would not be allowed back to work.

The union filed its end-of-strike notice with the Enderel Labor Palenting and the surrender would change to the union filed its end-of-strike notice with the Enderel Labor Palenting and the surrender would not be allowed back to work.

The union filed its end-of-strike notice with the Federal Labor Relations Authority, the agency that voted last week to strip it of its bargaining rights on behalf of federal air traffic controllers. The union was officially decertified Tuesday when an appeals court refused to delay the decision. The union is appealing the case.

#### **Bonn Deputies Back Iranian Exiles**

BONN — Nineteen deputies from West Germany's governing Social Democratic Party have urged support for the National Resistance Council lighting Ayatollah Ruhollah Khomeini's fundamentalist government

in Iran.

The council is headed by deposed President Abolhassan Bani-Sain and the leader of the Mujahaddin Khalq Islamic leftist guerrilla organization, Massoud Rajavi, both of whom are in exile in Paris.

The leftist Bonn parliamentarians, who supported the 1979 Iranian revolution against the shah, issued a statement according the Tehran government of "carrying out systematic physical liquidation of all oppositions." tion. The present Iranian government is disregarding daily the constitu tion and laws which its own members helped to enact. It is giving the world a horrendous, distorted picture of the Islamic religion," the state

#### Agreement on Aruba Independence

THE HAGUE - The Dutch government and the colonial administra tion of the Netherlands Amilles have reached provisional agreement on independence for Aruba, Dutch Premier Andreas van Agt said Wednes-

At the end of a two-day meeting, Mr. van Agt said representatives of the Dutch government and of the six Caribbean islands that comprise the Netherlands Antilles agreed to appoint a seven-member commission. to report within six months on how independence could be achieved. Aruba, which lies off the coast of Venezuela, and the other five islands form the last Dutch colony, with an elected parliament based in Curacao and a Dutch governor who appoints and supervises a council of ministers, or Cabinet. Aruba is seeking early independence separate from the other islands.

#### 2 Arrests in U.S. \$1.6-Million Theft

New York Three Service

hattan apartment, federal agents and the New York City police arrested two new suspects in last week's \$1.6-million Brink's robbery. The arrests on Tuesday brought to seven the number of suspects

seized since the Oct. 20 robbery in New York state that led to wide spread federal and state investigations. Federal agents in Mississippi arrested a woman for conspiring in the Brink's robbery, in which two policemen and a security guard were killed. In New York, a woman whose car was used by the holdup gang

# Bonn Planning New Military Cuts The Associated Press

BONN — The West German government announced Wednesday that it must trim another 200 million marks (\$88 million) from its 1982 miltary budget. In July Chancellor Helmut Schmidt confirmed that West Germany would fall short of the 3-percent growth in real military spend-ing agreed upon by NATO members as part of a plan to enhance West-

Government spokesman Kurt Becker announced the latest reductions Wednesday after the Cabinet met to find ways of making up an 8 billion-mark (\$3.5-billion) shortfall between spending and income in 1982.

# Senate Backs Reagan on Saudi Jet Package Pentagon Denies 52-48 in First Major Foreign Policy Test

Goldwater said: "I am absolutely convinced the turning down of this sale could lead to war in the Mid-

But Republican John C. Danforth of Missouri asserted: "It is conceivable...that the United States is inadvertently laying the foundation for the next war in the

Democrat Donald W. Riegle of Michigan said, "We are building a powder keg in the Middle East" with the same recklessness that plunged us deeper and deeper into Vietnam years ago."

Backers of the sale said a veto would cripple Mr. Reagan's ability to conduct foreign policy. But Democratic Sen. Gary Hart of Colorado said, "He should have thought about that before making a solid commitment to Saudi Arabia without consulting Congress or

Four of the 24 AWACS aircraft in the U.S. inventory already are operating with U.S. crews in Saudi Arabia, Under provisions of the sale, the Saudis will receive five AWACS in 1985, but they will be models without advanced features such as jam-resistant communications devices.

Conditions Imposed

Mr. Reagan, seeking to allay fears that a Saudi Arabia armed with AWACS jets will tip the baiance in the Middle East against Is-rael, wrote in his letter that conditions had been imposed to ensure that that would not be the case. The president pledged that U.S. personnel will be able to monitor air and ground security arrangements to protect the secrecy of the high-technology planes. And he

said Saudi cooperation in the

Mideast peace progress will be a condition of the sale. If the Saudis violate any of the

agreements, Mr. Reagan told the Senate, "the sale will be canceled and no equipment or services will be delivered."

The Saudis have agreed to use the AWACS planes for defense only, he said, and they will share the radar information with U.S. personnel. That, he said, precludes any possibility that the planes could be used to coordinate an Arab attack against Israel.

"This sale will enhance our vital national security interests by con-tributing directly to the stability and security of the critical area from the Persian Gulf through the Middle East to North Africa," Mr. Reagan wrote.

AWACS Roll Call

WASHINGTON (UPI) - Following is the roll call on the 52-48 vote by which the Senate rejected the resolution of disapproval that would have killed the sale of AWACS to Saudi Arabia.

For: (48)
Republicans for (12): Boschwitz,
Minn.; D'Amato, N.Y.; Danforth,
Mo.; Durenberger, Minn.; Hatfield, Ore.; Hawkins, Fla.; Heinz,

A United Press International

#### Correction

caption under a picture of U.S. Ambassador Arthur A. Hartman that appeared in Tuesday's Inter-national Herald Tribune incorrectly said he was flanked by two Soviet military officers as he presented his letter of accreditation at the Kremlin. The officials were Soviet diplomats wearing the dress uniform of the Soviet foreign service.

Pa.; Kasten, Wis; Packwood, Ore; Roth, Del. Specter, Pa.; and Weicker, Coan.

was apprehended in the East Village.

Democrats for (36): Baucus, Mont.; Bentsen, Texas; Biden, Del.; Bradley, N.J.; Bumpers, Ark.; Burdick, N.D.; Byrd, Robert C., W.Va.; Cannon, Nev.; Chiles, Fla.; Cranston, Calif.; DeConcini, Ariz.; Dixon, III.; Dodd, Conn.; Esgleton, Mo.; Ford, Ky.; Glenn, Ohio; Hart, Colo.; Heflin, Ala.; Hollings, S.C.; Inouye, Hawaii; Jackson, Wash.; Kennedy, Mass.;

Leahy, VL; Levin, Mich.; Matsu-naga, Hawaii; Metzenbaum, Ohio; Mitchell, Maine; Moynihan, N.Y.; Pell, R.I.; Proxmire, Wis.; Pryor, Ark.; Riegle, Mich.; Sarbanes, Md.; Sasser, Tenn.; Tsongas, Mass.; and Williams, N.J. \_

Against: (52)

Republicans against (41): Abdnor, S.D.: Andrews, N.D.; Armstrong, Colo.; Baker, Tenn.; Chafee, R.I.; Cochran, Miss.; Cohen, Maine; Denton, Ala; Dole, Kan.; Domenici, N.M.; East, N.C.; Garn, Utah; Goldwater, Ariz.; Gorton, Wash.; Grass-ley. Iowa; Hatch. Utah; Hayakawa, Calif.; Helms. N.C.; Humphrey, N.H.; Jepsen, Iowa; Kassebaum, Kan.; Laxalt, Nev.; Kassebaum, Kan.; Laxalt, Nev.; Lugar, Ind.; Mathias, Md.; Mart-ingly, Ga.; McClure, Idaho; Mur-kowski, Alaska; Nickies, Okla.; Percy. Ill.; Pressler, S.D.; Quayle, Ind.; Rudman, N.H.; Schmitt, N.M.; Simnan, N.H.; Schmitt,

N.M.; Simpson, Wyo.; Stafford, Vt.; Stevens, Alaska; Symms, Ida-bo; Thurmond, S.C.; Tower, Tex-as; Wallop, Wyo. and Warner. Va. Democrats against (11): Boren, Okla; Byrd, Harry F. Jr., Va.; Exon, Neb.; Huddleston, Ky.; Johnston, La.; Long, La.; Melcher, Mont.; Nunn, Ga.; Randolph, W.Va.; Stennis, Miss., and Zorin-sky, Neb.

### Report of Soviet Killer Satellite From Agency Dispatches WASHINGTON — The Penta-

gon has denied a published report that the Soviet Union is operating an improved space weapon capa-ble of destroying multiple U.S. sa-Aviation Week & Space Technology reported Monday that a-Soviet killer satellite is in continuous orbit, whereas in the past the

Soviet Union has been known to

launch such satellites on test runs

for only one or two revolutions of the Earth. The Soviet Union is operating in low-Earth orbit an anti-satellite battle station equipped with clusters of infrared homing guided interceptors that could destroy multiple U.S. spacecraft," the magazine said in its latest edition. The podded miniature attack vehicles provide a new U.S.S.R. ca-

pability for sneak attacks on U.S. satellites," it said. "Based on the information we, have on Soviet space and anti-satellite programs, we cannot con-clude that they have the systems described in the Aviation Week article," the Pentagon said Tuesday.

In a recent detailed report on Soviet military strength and developments, the Pentagon referred to previously announced Soviet achievement of a "non-nuclear low altitude orbital interceptor" which it said "poses a known, if presently limited, threat to some U.S. satel-

#### Plane Crash Kills 3 in U.S. · · · The Associated Press

BETHPAGE, N.Y. - A single engine airplane crashed onto a golf course near this Long Island community early Wednesday, killing the two men and the woman on



The cancan girls aren't the only ones kicking up their heels in Europe. You're having the kind of adventures they want to hear about back home. So give 'em a call. And do it

with these franc-saving tips in mind.

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national calls. And sometimes the

call itself. But if your hotel has

fees are greater than the cost of the

TELEPLAN, the way to keep hotel

surcharges reasonable, go ahead and

call. No Teleplan? Read on!

SAVE WITH A SHORTLE

minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you hack. The surcharge on short back from the States with dollars.

your next home or office phone bill. SAVE THESE OTHER WAYS Telephone Company credit card and

In most countries there's no threecalls is low. And you pay for the callnot local currency, when you get

collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

(Д) Bell System

Now...is that you on the left? Not

bad. You can still shake a leg.

Reach out and touch some

# Pentagon Admits B-1 Carries Hidden Costs

By Morton Mintz

Washington Post Service
WASHINGTON — The Defense Department has admitted that it has been promoting the B-1 manned bomber program to Con-gress without disclosing that it ex-pects to incur up to \$1 billion in additional costs.

The admission, made at a Senate hearing Tuesday, came as House-Senate conferees neared final approval of the 1982 military authorization bill, which includes \$2.43 billion in research and development costs for the B-1 program.

Under questioning by Sen. Carl Levin, Democrat of Michigan, Milton A. Margolis, head of the Pentagon's Cost Analysis Improvement Group, acknowledged that Congress had not been told of additional costs estimated by Sen. Levin at \$500 million to \$1 billion.

Sen. Levin also brought out that although "never a word has been breathed about it" to the responsible congressional committees, the bill for the B-1 program will be further increased by "a whole host" of additional items, such as underestimates of certain testing and production costs. An exist to and production costs. An aide to Sen. Levin estimated the combined cost of the items at \$3 billion or \$4

The estimated cost of the 100aircraft program, approved by
President Reagan Oct. 2, has been
soaring. Sen. David H. Pryor, an
Arkansas Democrat, recalled that
early this year, Rockwell International, the prime contractor, put the cost at \$11.9 billion. In May, the Air Force was figuring \$15 bil-lion to \$18 billion. Then Pentagon officials upped the ante to \$19.7 billion.

Now, Sen. Pryor said, "we hear estimates ranging from \$20 billion to \$30 billion."

Deputy Secretary of Defense Frank C. Carlucci conceded to Sen. Pryor that the B-1's mission had yet to be formally defined but said it was "entirely appropriate" that the mission be changed as the nature of the threat changed.

Sen. William V. Roth, Republican of Delaware, chairman of the Senate Governmental Affairs Committee, released data at the hearing showing that the average cost overrun on 47 major weapons systems, which tripled between 1969 and 1978, doubled between 1978 and 1981.

GAO Update on Overruns

A House Government Operations subcommittee previously had reported that the average cost of reported that the average cost of the systems exceeded the original planning estimate by 31 percent in 1969 and by 98 percent in 1978. In an update done for Sen. Roth, the General Accounting Office said that as of June, 1981, the increase

was 190 percent Backed by both Democratic and Republican committee members, Sen. Roth warned that what Sen. Warren Rudman, Republican of New Hampshire, termed the "very fragile" public support for large defense spending could be imper-iled "by only a few scandals" in procurement such as "the kind of

cost overruns we have experienced in the last decade." This national consensus will quickly turn to outrage if the taxpayers see too many more de-fense dollars going to pay for cost overruns, delays and gold-plated 'tin lizzies' instead of effective mil-tary equipment." Sen. Roth said.

# State Department Rejects Reuss Complaints on Gulf

WASHINGTON — The State
Department on Tuesday rejected a complaint by Rep. Henry S. Renss, Democrat of Wisconsin, that the Reagan administration has committed the United States to defend some states in the Gulf without consulting Compress

some states in the Gulf without consulting Congress.

Rep. Reuss complained in a report issued Monday by the Joint Congressional Economic Committee, of which he is chairman, that such commitments were implicit in a statement on Middle East policy-prepared by the administration in response to a committee request.

State Department officials said ies, presented to the State and Delense departments in writing June 15 and answered in a joint reply Sept. 19, were not intended to break new policy ground.

#### **Careful Distinction**

The reply drew a careful distinction between treaty commitments to Pakistan and Turkey bear a legal obligation — and "for-eign policy expressions of this and previous administrations in sup-

#### Man Killed in Londonderry

United Press International LONDONDERRY --- The body of a 28-year-old man believed to be the victim of an Irish Republican "punishment" killing was found statement by the congressman that shot Wednesday outside the city. An anonymous caller to a radio station claimed the Irish National Liberation Army, an IRA splinter group, was responsible for the kill-

port of the security of the Persian

signed by Nicholas A. Veliotes, as-sistant secretary of state for the Middle East, and by Francis J. West, assistant secretary of defense for international security affairs, were intended as pretty much a compilation of existing policy statements," an official in-volved in their preparation said.

James K. Galbraith, executive

director of the Joint Economic Committee, said the replies "subcommittee, said the replies substantially clarify what the administration has in mind about the Persian Gulf." Mr. Galbraith added that "we believe their policies go beyond the Carter Doctrine," in which former President Jimmy Carter declared in January, 1980, that the United States would rethat the United States would regard an attack on the Gulf as an would repel such an attack by "any means necessary, including military force.

The Reuss report, which was compiled and printed last week and set for release in time for the Senate's vote Wednesday on the sale of AWACS, Airborne Warning And Control System, planes to Saudi Arabia was prefaced by a cast the policy as a major commit-ment of U.S. forces to repel a Sovi-

## U.S. Assesses Support for Chad Rebels

May Back Goukouni If Libyans Withdraw

Los Angeles Times Service
WASHINGTON — The Reagan
administration is reconsidering its tacit support of rebel forces in Chad and may join France in backing the government of President Goukouni Oueddei on condition that a Libyan force of about 10,000 men withdraw.

This policy reassessment, State Department spokesman Dean Fischer said Tuesday, was begun following a French initiative last week to persuade the Organization of African Unity to send a peace-keeping force to Chad to replace the Libyan contingent, which ini-tially intervened last year on President Goukouni's side.

[A French Foreign Ministry source reported Libyan tank and troop movements Wednesday in Chad's capital, and government officials said French soldiers in the neighboring Central African Republic were on alert, The Associat-

ed Press reported from Paris.
[A spokesman at the Chad Embassy in Paris said that he had no reports of recent activity in N Djamena and that a visitor who

N'Djamena and that a visitor who arrived from the capital on Tuesday reported the city had been calm, AP reported.]

Libyan leader, Col. Moamer Qadhafi, has recently been threatening to back a Goukouni rival, Foreign Minister Ahmed Acyl, if the president continues to balk at the memory between Chad and Li-

the president continues to balk at the merger between Chad and Li-bya that Col. Qadhafi tried to force on Chad last year.

In the immediate aftermath of the assassination of President Sa-dat of Egypt earlier this month, the Reagan administration issued a statement of support for Egypt's closest ally, Sudan, which appeared to be threatened by border attacks by Libyan forces in Chad. The administration notified Congress on Monday that it plans to send 20 M-60 tanks, 12 howitzers and two F-5F fighters to Sudan. Additional aid is under disaussion between the two countries, officials said.

But the administration has begun to edge away from a policy of backing Sudan's support for Cha-dian rebels led by Hissène Habré. whom Libya helped Mr. Goukouni defeat in Chad's civil war.

President François Mitterand said during the Cancún summit last week that France would back OAU expeditionary force to keep Mr. Goukoumi in office and get the Libyans out. Secretary of State Alexander M. Haig Jr. immediately added U.S. support to that

In the past few days, the Mitterrand proposal has won immediate backing from the OAU president, Daniel Arap Moi of Kenya, and both Nigeria and Senegal have said they would send troops to a

Mr. Fischer declared U.S. backing for this French move and said the administration has opened its whole Chad policy to review — in short, to a reassessment that could soon lead to overt U.S. support of Mr. Goukouni,

#### Huang in Washington

United Press Internationa WASHINGTON - Chinese

Foreign Minister Huang Hua will meet President Reagan, Secretary



Andrew Young, center, and his wife, lower left, were cheered after the former U.S. diplomat was elected mayor of Atlanta.

tions to make when it issues its fi-

nal report on the matter, perhaps

It also appeared that the sena-

tors have yet to complete their

study of the administration's pro-

posed new executive order despite Sen. Goldwater's remarks. The

committee is still waiting for some

additional information about it,

including details about the guide-lines the Justice Department will have to issue to implement it.

Goldwater to Be Absent

"We didn't decide anything fi-nally," Sen. Moynihan stressed.

has been much more critical of the

order than Sen. Goldwater, will

for Arizona Thursday where he is

scheduled to undergo hip surgery early next month and then a pro-

longed recuperation period. Sen. Movnihan has protested

that the draft order virtually guarantees that the CIA and the rest of the U.S. intelligence com-

munity would "suddenly be re-

The New York Democrat, who

by the end of next month.

## Senate Panel Opposes Plan To Give CLA Wider Powers

By George Lardner Jr.

Washington Post Service
WASHINGTON — The Senate
Intelligence Committee has recommended that President Reagan reject proposals to give the CIA wide-ranging authority to infiltrate and influence the activities of domestic organizations.

Sen. Barry Goldwater, Republican of Arizona, the committee chairman, said the seven Republicans and two Democrats present at a closed-door session Tuesday morning all agreed to ask the White House to maintain the current restrictions that were imposed Under a proposed new executive

order for the intelligence commu-nity, the CIA would be officially authorized for the first time to penetrate purely domestic organizations for any purpose that the CIA director or his designee determined to be lawful.

The infiltration could even be for the purpose of "influencing the activity of the organization or its members" so long as the attorney general was satisfied that this would not interfere with anyone's legal or constitutional rights.

Sen. Goldwater said that the rest of the 23-page draft had been acceptable to the committee at large although individual membe wanted other revisions as well. He said they would be free to express their concerns to the White House.

Sen. Goldwater also announced that the committee has completed its investigation into CIA Director William J. Casey's business dealings in recent years and still sees "no basis ... for concluding that Mr. Casey is unfit to serve as di-

## Young Wins Runoff Vote In Atlanta

Former UN Delegate Is 2d Black Mayor

By Art Harris

ATLANTA — Andrew Young, a globe-trotting diplomat who re-turned home, has been elected mayor of Atlanta over Sidney Marcus, a state representative, in a bitter runoff that pitted blacks against whites in this bustling southern city noted for its racial

With all 187 precincts reporting Tuesday night, Mr. Young had 65,014 votes, or 56 percent, to 50,977 votes for Mr. Marcus.

Mr. Young called the campaign "tough, hard but fair," and promised "to be better friends with Sidney Marcus," who is white. He said the campaign has "put a strain on us, but there have been no broken relationships, and there will be none in the future."

Sixty-two percent of the city's 191,000 registered voters turned out, with Mr. Young drawing heavily from black neighborhoods and Mr. Marcus from white.

Mr. Young, 49, a former threeterm congressman who graduated to the world stage early in the Carter administration as U.S. chief representative to the United Nations, spent most of his energy trying to persuade voters that he really wanted the job as the second black mayor in the city's history, that he did not consider making garbage trucks run on time a step down from dining with heads of

Mr. Marcus, 53, is a liberal state legislator who enjoyed biracial support and was anointed by a white business establishment frustrated by downtown crime and poor relations with the eight-year administration of Mayor Maynard Jackson. Mr. Jackson, the city's first black mayor, was limited by aw to two terms.

Mr. Young had taken 41 percent of the vote in the seven-candidate general election on Oct. 6, while Mr. Marcus received 39 percent.

#### Lit a Fuse

Blacks supporting Mr. Marcus were singled out as traitors to the civil rights movement. Mr. Jackson, one of Mr. Young's strongest supporters, lit a fuse in a mid-October speech to black businessmen that labeled many black support-ers of Mr. Marcus as "shuffling, take charge of the committee later this week, probably for the rest of the year. Sen. Goldwater is leaving grinning ... Negroes."

Mr. Marcus launched a bitter counterattack in a Sunday night televised debate, accusing Mr. Young of using Mr. Jackson to do

his dirty work. Mr. Young, a civil rights cam-paign veteran and a protege of the late Rev. Martin Luther King Jr.,

# The more you know about Scotch, the more you like Ballantine's.



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#### et attack on the oil fields of the of State Alexander M. Haig Jr. and other officials in a two-day visit to Washington that started late Wednesday. region, "without significant assistrector of Central Intelligence." ance either from our allies or from the states in the Gulf region itself." The committee's vice chairman Sen. Daniel P. Moynihan, suggest-**AWACS** Issue Is Said to Fuel Anti-Semitism

By Martin Tolchin New York Times Service

WASHINGTON - Several Democratic and Republican senators who both support and oppose the president said Tuesday that latent anti-Semitism was being fueled by the controversy surrounding the proposed sale of AWACS radar aircraft to Saudi

"It's a very sensitive subject, and one I feel uncomfortable even talk-ing about," said Sen. John Tower, Republican of Texas, chairman of the Armed Services Committee. who supports the sale. shouldn't be raised to the level of public debate, but unfortunately I'm afraid it has been."

Some senators reported that the AWACS controversy had resulted in a marked increase in anti-Semitic mail, as well as in anti-Semitic comments they heard in recent visits to their states. Others cited resentment against the anti-AWACS

WASHINGTON - Budget di-

rector David A. Stockman said

Wednesday that the U.S. deficit could climb as high as \$100 billion

in 1984 unless Congress takes ad-

ditional action to cut spending or-

Such a deficit is "not out of the

ballpark," Mr. Stockman said, al-

though he stressed the administra-

tion has a three-year, \$115-billion

plan before Congress that is de-

signed to meet President Reagan's

Menachem Begin, as well as what they called the "Jewish lobby," or "Israeli lobby.

Some senators said that support-ers of the sale had argued that its rejection would result in a backlash of anti-Semitism, but a White House aide familiar with the lobbying effort said that to the best of his knowledge the administration had never made that argument. The anti-Semitism issue re-mained muted until Tuesday when

it was raised by Sen. Mark O. Hatfield, Republican of Oregon, chairman of the Appropriations Committee, at a meeting with reporters.

Sen. Hatfield said that he opposed the AWACS sale, but feared that the controversy had triggered a "resurgence" of anti-Semitism in

"I think there's a latent anti-Semitism in this country, and my mail has shown a definite in-crease," the senator said. "Also, talking to people in my home state. this not go through, it will lead to This troubles me. They're just the kinds of things you describe."

Stockman Foresees a \$100-Billion Deficit

In 1984 Without Budget Cuts, New Taxes

waiting for a trigger mechanism." He said that such a trigger mechanism had been provided by Mr. Begin, whom he called "brittle, rig-id and doctrinaire," as well as by intensive lobbying by American supporters of Israel who, he said, expressed the view that "If you don't go with Israel, you're anti-Semitic."

Sen. Steven D. Symms, Republican of Idaho, who supports the sale, said that "The perception is that there's been undue pressure from the American Jewish commu-

itism issue at a news conference, said: "There has been a pattern of argument among those who favor the sale and those who have been persuading senators that should

He said, "with a little help I could list 15 senators" who had told him. in the last two weeks, that supporters of the sale had warned of an anti-Semitic backlash if the package was rejected by the Senate. Some senators said that they were unaware that anti-Semitism

#### Undue Pressure

Sen. Daniel P. Moyniban, Democrat of New York, who opposes the sale, asked about the anti-Sem-

had become an issue in the controversy. Sen. Walter D. Huddleston, Democrat of Kentucky, who supports the sale, said that "I haven't seen it myself." Nor had Sen. David Pryor, Democrat of Arkansas or Sen. Charles McC. Mathias Jr., Republican of Maryland.

In an article in the summer issue of Foreign Affairs magazine, Sen. Mathias wrote of the "potent Israel lobby" which was "sometimes

harmful to the public interest." Sen. Tower said Tuesday that "As a practical matter, you can't say there's no Jewish lobby, any more than you can say there's no Greek lobby.

President Reagan, referring to Israeli lobbying against the AWACS sale, told an Oct. I news conference that "It is not the business of other nations to make American foreign policy."

Last month, CBS reported that Sen. Bob Packwood, Republican of Oregon, who has led the fight against the sale, had told the presideat that he could not lessen his effort because, as chairman of the Senate Republican Campaign Committee, "he would lose a lot of Jewish contributions and that his commitment was to help elect GOP senators." Sen. Packwood denied having made the statement.

Richard V. Allen, the president's national security adviser, asked to confirm or deny the conversation, declined "to discuss any matters which take place in a private meeting with the president."

#### Soviet Dry Dock at Maputo

LISBON - A Soviet-built floating dry dock has reached Maputo, Mozambique, after a three-month tow from a Soviet port in the Bal-tic, the Mozambican news agency said Wednesday. It is designed to serve Mozambique's fishing fleet as well as Soviet fishing vessels, the

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goal of a balanced budget in 1984. The official administration estimate is that the deficit will be \$58.8 billion in 1984 without any additional action. But the Congressional Budget Office in information provided for the Senate Budget Committee, said the actual defrcit could be \$100 billion in 1984 if there are no more spending cuts and taxes are not raised.

ruise taxes.

Mr. Stockman said administration officials are reviewing their budget estimates and said "we may

projected \$58.8-billion deficit when the process is completed. "There are enormous upward

pressures" on the budget, Mr. Stockman said after testifying at a

"I think we are at the point where Congress is going to have to consider some very tough and very serious action to bring the deficit down," he told a subcommittee of the Joint Economic Committee. On Tuesday, Mr. Reagan came up \$1 billion short in the first test of his new budget-cutting propos-als in the Republican Senate.

#### Spending Goals

In approving, 87-8, a \$7.6-billion appropriations bill for the Interior Department and related agencies this year, the Senate refused to make more than minor cuts. It would have had to cut \$1 billion to stay within the new spending limits Mr. Reagan proposed last

Budget Committee, Pete V. Domenici, Republican of New Mexico, said the bill roughly approximates spending goals pro-posed by Mr. Reagan in March, before spiraling deficit projections prompted the president to seek further spending cuts this fall.

Mr. Reagan's second round of budget proposals met with quick opposition even among Republi-cans when he announced them last month. Republicans since have been groping unsuccessfully for some way to deal with them.

They finally decided just to forge ahead with the waiting ap-propriations bills. Tuesday's was the first.

Mr. Reagan has vowed to veto bills that "bust the budget," but White House officials declined Tuesday to say whether the Interior Department bill fits that de-

# Reaganomics Gone Wrong

Less than three months after the trium-phant enactment of President Reagan's gigantic money bills, his economic strategy seems to have lost its way. There is no longer a clear sense of the next step. The White House is anxiously negotiating with the congressional Republicans whom it commanded with great flair and confidence in the spring and summer. Republican senators are talking heretically about a tax increase. What has gone wrong?

From its beginning last winter, the Reagan program was based on excessively optimistic forecasts. The day of reckoning arrived in August, in a way that illustrates the differences of perspective between Washington's political world and New York's financial markets. To people in Washington, including the president's adversaries, the passage of the budget reconciliation and tax bills demonstrated the strength of a secure president, very much in control. But in New York, the financial houses' economists saw immediately that the tax cuts were very much larger than the budget cuts. To them, that meant future deficits beyond any president's control. Interest rates, already high, went higher. It was the interest rates that forced political Washington to acknowledge that the economy was not responding as the strategy had prescribed.

When Congress reconvened in September, the administration was preparing to make further budget cuts - but there was no agreement within the administration on those cuts. The arithmetic pointed toward extraordinary cuts in programs that most people of both parties in Congress had no intention of cutting deeply. At that point, the nature of the president's opposition began to change. It was no longer centered on the disheveled Democrats, who had lost the 1980 election and been beaten again in the crucial House votes on the summer's legislation. The serious opposition, polite but firm, began to come from senior Republicans in the Senate.

The original theory behind the Reagan policy held that tight money would bring down inflation, while a big tax cut would stimulate growth. Now, in the tenth month of the Reagan administration, the first part of that theory is working - but not the second. Tight money has meant high interest rates that are indeed bringing down the inflation rate, despite the jump last month in the erratic consumer price index. But it's happening in the most conventional, sad old way, with the high interest pushing the economy into a recession. There is no sign of any supply-side magic to give the country lower inflation and higher economic growth simultaneously.

To regain the initiative, the administration will have to provide Congress and the country with a plausible map of the future into which it wants to lead them. That word "plausible" means no economic mysticism this time, and no rope tricks. It means forecasts that are consistent with present experience, and it means a few more details about those unspecified budget cuts.

The president still has time. At a guess, he has three months — until January, when he must publish the next budget and deliver his beginning-of-the-year messages. January will be his chance to recast and re-establish his program on a realistic basis. But it will probably be his last chance.

THE WASHINGTON POST.

# **U.S. Brawn Without Brain**

The United States is about to launch a policy of unilateral disarmament in the worldwide contest of ideas. The administration proposes cuts in the revised State Department authorization bill that would devastate educational and cultural exchange.

Like most departments, the International Communication Agency has been asked to absorb an additional cut of 12 percent in its 1982 budget. But instead of protesting or looking to its bureaucracy, it proposes that virtually the entire amount come out of educational and cultural programs.

Funds for exchange of students and scholars, for example, would be reduced from an already inadequate \$79 million to \$22 million. Academic exchanges with 61 countries would be eliminated altogether.

There would be no further support services for the more than 300,000 foreign students who require them to remain enrolled in American universities.

The justly famous, 35-year-old Fulbright

fellowship program would end, except in a few countries that make special agreements for them. And the number of promising leaders brought to America by the International Visitor program would decline from 1,500 to 750, eliminating 75 countries entirely. This is the program that first showed American life to 33 current heads of government.

All in all, the cuts would leave the Soviet Union the unrivaled champion of education and culture for most of the poorest nations of the world.

What a travesty for an administration determined to spread its might and influence abroad. To so shortchange contacts and communication - including the export of books, art, music, theater and drama - will have serious enough consequences in the short term. In the long run, the loss in understanding and human ties would be devastating. The trashing of these programs proclaims a policy of brawn without brain.

THE NEW YORK TIMES.

# A Few Fish Without a Sea

It takes some doing to recall how so many Americans quaked during the Vietnam years at the menace they imputed to a tiny handful of terrorists who operated on American soil. True, we of the media undeniably deserve much of the responsibility for generating the alarm. There was in the air of the culture, however, a certain casual and profligate readiness to define terror or the thought of terror - there wasn't that much of the real thing around - not as an absolutely intolerable perversion but as an exaggerated form of protest. And who, after all, could condemn protest against a society deemed to be so wicked as America's?

It was not the viciousness of the society that generated terror. Given the crisis atmosphere, the society remained unusually open to other and legitimate and even some illegal (draft-dodging, etc.) forms of protest through the whole period. It was the failure of selfconfidence brought on by the spectacle of the Vietnam War and perhaps also by the dashing of various other sets of expectations that had been raised, and incompletely fulfilled, in the preceding years. The few practitioners of terror, and the larger number of people who preached doctrines of purification by political violence, and the even larger number of their fellow travelers, floated on a car-

pet of permissiveness that extended far beyond the privileged precincts from which a good number of the terrorists actually came.

Some of them have reappeared, in defiance or fatigue, over the years, and just the other day a couple of people associated with the "Weather Underground" were captured by police in connection with a bank robbery and shoot-out in which three lawmen died. At once it began to be asked whether this white group had links with a black group, whether there might be a Cuban connection, and so on. It will be interesting to get what answers are available. It will be important, however, not to mag-

nify the threat beyond its provable dimensions. At a certain time of troubles in the United States, the temptation to respond to political or social frustration with conspiratorial violence became, for a trivial number of people, irresistible. Some damage was done, some people were killed. But, to its relief, the United States turned out to be one of the countries least hospitable to tendencies of this sort. The few terrorists became not cultural models but rejects, fish without a sea. That is a matter for quiet and thankful noting as a few more of the violent children of the '60s come above ground.

THE WASHINGTON POST.

#### Other Opinion

#### The Death Toll in Clerical Iran

Amnesty International announced recently that at least 3,350 people had been executed in Iran since the revolution — 1,800 of them since the dismissal of President Bani-Sadr on June 20 this year. It can hardly be doubted that the majority of Iranians are by now thoroughly sick of clerical rule.

- From The Times (London).

#### President Kekkonen's Resignation

The term "Finlandization" is used to denote excessive adaptation to the Soviet giant. But the term thus understood is an insult to Finland, which, in an area dominated by the

Soviet Union, has retained its own predominantly Western way of life.

— From the Tages Anzeiger (Zurich). gerates deference to its big neighbor. - From the Basler Zeitung (Basel).

Kekkonen was the guarantor, the architect, of a meticulous neutralism that allowed his country to benefit from privileged treatment compared to other countries around the Soviet Union. His succession will not be easy.

#### Oct. 29: From Our Pages of 75 and 50 Years Ago

#### 1906: Mrs. Peary Confident

PORTLAND, Maine - Mrs. Robert E. Peary. wife of the Arctic explorer, is confident of the safety of her husband. She says: "I am sure as I am living this minute that my husband has found the Pole and soon will be on his way home to tell us about it. When the expedition started, it was planned to make a two-year trip, although was hoped they might return sooner. If my husband has not yet reached the Pole, I suppose he is in winter quarters at Cape Hecla, but I have an instinctive feeling that he has reached the ambition of his life. To my mind there is only one possibility that he will not return alive, if the dogs on which he depends die."

#### 1931: Landslide in Britain

LONDON - No British election result for many order to restore the fortunes of our country."

If you consider that Stalin's Soviet Union sought to give Finland the kind of status it gave Romania and Hungary, then admiration for the "Finnish way" must silence the senseless accusation that Helsinki exag-

- From La Stampa (Turin).

years has excited such interest as the sweeping victory for the National government, which is even more overwhelming than was indicated by the first day's count. Of 608 parliamentary seats now filled, out of a total of 615, the government holds 552 and the opposition 56. The government's supporters so far consist of 471 Conservatives, 33 National Liberals, 33 Liberals, 14 National Labor and I National Independent, Stanley Baldwin, the Conservative leader, commented: "This is no party victory. It is an emphatic declaration in favor of national cooperation in

# GOTCHA. WHEN DO YOU WANT TO CALL THIS, CHIEF?... MWA Where Does Reagan Get These Ideas? By David S. Broder people, that the last government that had out certain areas" for its targets, Reagan

OK, CHIEF.

OK, CHIEF.
GOT LIMITED... LIMITED WHAT? OK, LIMITED NUCLEAR?
NUCLEAR WHAT? LIMITED NUCLEAR WAR? OK,
NUCLEAR WHAT? EUROPE? EUROPE. OK, GOT IT.
IN WHERE? EUROPE WAR IN EUROPE.
LIMITED NUCLEAR WAR IN EUROPE.

WASHINGTON — As long as Ronald Reagan has been in public life, he has been saying things that have made it hard for some people to take him seriously. The skepticism, it is clear, has not been an insurmountable barrier to his success; he is, after all, in the White House, and they are not.

GIMMTED

DOOKEE

He has never been accused of guile. Love him or not, people recognize that Reagan says what he believes. But even with the vast machinery of the government at his service, this president goes right on saying things that make you wonder where in the world he does pick up his ideas.

In a meeting with out-of-town reporters and editors on Oct. 16, the president made

some rather remarkable assertions. The Russians, he said, "cannot vastly increase their military productivity because they've already got their people on a starvation diet of sawdust."

The demonstrations against U.S. nuclear weapons that had been popping up in Western European capitals were of no western European capitals were of no consequence, he said. They resulted from propaganda that ... can be traced back to the Soviet Union," but the protests were insignificant because none of the European governments was "falling back or falling away from the installation of these weapons." these weapons.

At home, he said, the anti-inflation program "is going to be successful." He went on to say that "our Nobel Prize winner, Milton Friedman, has just been quoted as saying [inflation] will be down to 6 percent next year."

Well, Friedman is a respectable authori-ty, but a few days after the president cited his wisdom, the Consumer Price Index jumped back up to an annual rate of about 14 percent - recalling, to some

embraced Friedman as an authority was that of the embattled British Tory prime minister, Margaret Thatcher. The president did not name his source on the Soviets' sawdust diet.

As for the contention that the antinuclear-weapon demonstrations in Europe are insignificant, events have not been kind to that judgment. Two days after he met with the correspondents, the people of Greece — who are inured to Communist propaganda — elected a new government pledged to the immediate expulsion of American nuclear weapons and eventual withdrawal from the NATO mili-

A few days later, the NATO defense ministers insisted, over U.S. objections,

Who, if anyone, around Reagan is brave enough to disabuse him of these notions?

on considering an offer to the Russians: to freeze any fresh nuclear arms deployment in Western Enrope if the Soviets would reduce their own nuclear missile fleet. Last weekend there were large antinuclear demonstrations in London and Rome that confirmed the warnings of the earlier demonstrations in Berlin, Brussels,

Occasionally, it appears, President Reagan hears something from one of his unnamed authorities that causes him to revise his opinion. "I had always believed ... the Voting Rights Act should have been nationwide, rather than taking

told his visitors, neglecting to mention that the act was applied only to areas with clear historic records of voting discrimination. "But then, I must say, it was brought to my attention recently that ... it would make it so cumbersome — and I hadn't thought about this — that it might be impossible to enforce. So with discrete the matter of the second state of the possible to enforce. So we dropped that

position. Before rejoicing at this triumph of pedagogy, note that in the very next sentence the president said that the Voting Rights Act extension, recently passed by the House of Representatives, is "maybe ... pretty extreme." He hoped, he said, that the Senate would pass a "more reason-

That "pretty extreme" bill was passed 389-24, without a murmur of protest from the administration. It had the strong support of many of the most conservative members of both parties, who failed to find anything "extreme" about continuing a law which has enfranchised literally millions of people.

But Reagan's comments suggest that some anonymous authority has again put an idea in his head that could become the basis of national policy.

Presidential misconceptions are danger-

ous playthings. The notions that inflation is being whipped, that the Soviets are on the verge of starvation, that the dissent in NATO over nuclear policy is just Communist propaganda, that the Voting Rights Act is pretty extreme" — these ideas, volunteered by the president in one brief conversation, are enough to make you wonder.

Where does the president get these ideas? Who tells him these things are so? And who, if anyone, around him is brave enough to disabuse him of these notions? 01981, The Washington Post

# Changing His Guard

By Joseph Kraft

WASHINGTON — Dangerous currents are now running against the United States in the Middle East and Europe. But the Reagan administration, as presently constituted, cannot turn the tide. So the country is alive with rumors

about coming shake-ups.
Secretary of State Alexander Haig has tried to nudge the Saudis toward a more flexible PLO stance on settlement with Israel, but Haig comes on as the partisan of an Arab-Israeli "strategic consensus" that baffles the Saudis. Thus there is a danger that the Egyptian-Israeli peace process will run its course and unravel.

will run its course and unravel.

In Europe, a rage for change akin to that which surged in the United States at the end of the 1960s is at work. The security component of the turmoil is doubt about the 1979 decision to modernize NATO forces. Haig has pushed for more nuclear weapons in Europe while agreeing to talk with the Russians starting next month. But Defense Secretary Caspar Weinberger keeps emphasizing, in blustery tones, the nuclear buildup. He thus verifies Europeans' fears of U.S. bellicosity, and whets their appetite for a deal with Russia. There is a possibility that the Eu-Russia. There is a possibility that the Europeans will abandon plans for nuclear deployment, thus putting themselves at the mercy of Russia and allowing the At-

lantic alliance to fade away.

Presidents normally synchronize top officials at State and Defense who work at cross-purposes. But Ronald Reagan has no experience in foreign or defense policy, and he seems to work less from documents than from briefings by close advis-ers. The three closest advisers who, in effect, translate for him on policy matters — Edwin Meese, James Baker and Michael Deaver — concentrate heavily on domestic affairs. Richard Alien, the national security adviser, is experienced in foreign policy, but is kept at a distance from the president by the three top aides. Even if he had better access, it is not

clear that he has the analytic power to command serious attention. He has not been a weighty figure anywhere in Wash-ington, and has had difficulty holding top staff members.

One of the rumors of change sees musi-cal chairs: Meese for Defense in place of Weinberger, who takes Haig's place at State, with Haig's deputy — William Clark, a former Reagan aide in California — moving to the White House in place of Meese and Allen. That shift would put. Reagan intimates at the chief foreign policy posts, but the exit of Haig and Allen would be a net loss of competence.

A more sensible move would be to start

by replacing Allen. Good people are available, notably Gen. Brent Skowcroft, who served as national security adviser to President Ford. But neither Skowcroft nor anybody else of caliber will take the post without easy and regular access to the president, which is another way of saying that foreign policy perils can be averted only if the president himself begins to work at it — and work hard.

01981. Los Angeles Times Syndicate.

# An Irish Ambassador Takes His Personable Talents Home

By Mary McGrory

WASHINGTON — As Sean Donlon's turn as ambassador of Ireland was not like anyone and the Irish National Caucus,

of the ordinary. The other night, at one of many 'wakes" - this one at the home of Andrew Mulligan, a former Irish rugby star — guests were piped in by torchlight to the strains of "The Minstrel Boy." Inside, a harpist plucked an ancient lament, duets were sung in Welsh and Irish. There were recitations, imitations and choral singing directed by the ambassador, who was toasted as a "peacemaker." It was not your typical Embassy Row farewell

Donlon, who is a mirthful 41, was involved in American politics up to his bushy black eyebrows. He had no example to follow. His predecessors moved about building good will talking up trade and tourism. Donlon led a crusade against terrorism in Ireland.

Americans, burning with memories of 1916, yelled "Up the IRA" and them they were wrong. He went head-on against Noraid

He went to Hibernian halls and neighborhood bars, where Irish-Brits Out," and he firmly told

else's, his leave-taking has been out providers of funds for the fray. He took on Rep. Mario Biaggi, the Bronx who chairs the House Ad Hoc Committee on Ireland, At one point Biaggi proposed a "peace fo-rum" at which IRA gunmen would

be invited to testify.

"These people," said Donlon,
"are helping those who are murdering Irishmen and Irishwomen." His activities naturally incurred the enmity of Biaggi, who lodged complaints with the then premier, Charles Haughey. In the summer of 1980, Donlon was summoned home and told he must make his peace with Biaggi or lose his job. Donlon declined.

In an unprecedented intervention, House Speaker Thomas P. O'Neill Jr. and Sen. Edward M. Kennedy sprang to his aid. They called Haughey in Dublin and warned him that the dishing of Donlon would bespeak an abandonment of the moderate course. O'Neill reproachfully told the premier, "Sean is a beautiful fellow. Haughey backed down.

have resided in the Sinai for less

than 13 years, are prepared for "vi-olent confrontation," and a few would even "take up arms" against

fellow Israelis who might try to ev-ict them; and this in spite of the Israeli government's offer of gener-

ous compensation for them to move back to Israel proper. In light of this should it be so hard for Israelis to understand why

Palestinians, who had lived on the land that is now Israel for 2,000 years, should be in "violent confrontation" with Israel?

CHIH-CHIEN HSU.

Italian Fashion

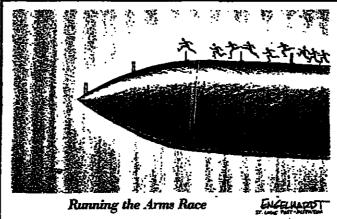
of Italian fashion (IHT, Oct. 3-4) but disappointed that no mention

was made of Gian Battista Giorgi-

ni, the father of Italian fashion. L.T. REINHARDT.

Porto Ercole, Italy.

was interested in the coverage



#### ·Letters

## Rights in Iran

Iain Guest reported (IHT, Sept. 30) a decision by the United Nations human rights panel not to place Iran on its blacklist. This decision is made while Iranian teen-agers, in groups and without any trial, are being shot by firing squads. There is no sign of law. justice or trials in Iran. Only two weeks ago, an Iranian lawyer was shot by a firing squad for defend-ing a group of detainees. Iranian lawyers have been imprisoned in an effort to force them to surren-der their clients to the Revolutionder their changes ary Committees.

DR. A. ANVARI.

Iranian Bar Association.

#### Sinai Passions

Re "Israeli Sinai Squatters Vow to Resist Ouster" (IHT. Sept. 26-27): These Israeli settlers, who

retary in the Foreign Ministry.

He goes back at a moment that is as promising as any in the last 10 years of bitterness. It is true that the hunger strike, which unleashed a flood of worldwide sympathy (and funds) for "the boys," is over. The IRA has returned to its loathsome violence.

What is hopeful is that FitzGerald has taken a historic first step toward the possible reconciliation of North and South. Speaking on Irish radio, he addressed the deep fears with which Ulster Protestants

regard unification: If I were a Northern Protestant

In June, Donlon's good friend, Garret FitzGerald, became pre-mier, and soon Donlon was called attracted to getting involved with a state which is itself sectarian. Our practices and our attitudes reflect those of a majority ethos which are not acceptable to Protestants in

Northern Ireland. FitzGerald is the first Irish premier to give such assurances, and the initial response from Northern Ireland has been positive. In his new post, Donlon will have princi-pal responsibility for the North.

The Anglo-Irish talks begun between Haughey and British Prime Minister Margaret Thatcher will be resumed before the end of the year. The American connection

The hope is that Ronald

Reagan, who boasts of being lrish and twice visited the embassy, will use his influence with Mrs. Thatcher. He could help persuade her to find a political solution to

The president has put his friend. William Clark, the deputy secretary of state, in direct charge of the Irish question. Clark is to visit Ireland in December.

Donlon leaves behind a political network he helped set up among pals on the Hill, the Friends of Ireland, with 100 members from both parties and House Whip Thomas S. Foley in charge. They hope he will be able to repeat at home the brilliant success he had in Washington in changing people's minds. They know that in Ireland it is much harder.

# About an Unwanted Documentary

NEW YORK — A few years ago a team of young producers in Canada released a series on the use by the CIA of foreign installations for the purpose of doing the CIA's business. The response was sensational.

Norfolk Communications, in due course joined by Kitson Vincent, another enterprising Canadian, then decided to attempt a doc-umentary on the machinations of the KGB, concerning which they knew little, and were surprised at the almost nonchalant attention devoted to that agency in one or another government document. What emerged is the most pow-

erful two-hour documentary on the subject of underground Soviet activity ever put together. It was shown in Canada and received sensnown in Canada and received sen-sational notices. The Detriot News, bringing in the Canadian signal, called it "powerful," depict-ing the "real world of Soviet espionage in this continent." Vari-ety called it a "riveting documentary," and "carefully researched and intriguing." It has been shown (twice) in

Sweden, and will be shown throughout Europe. The problem is that the producers can't get it shown in the United States. One hears endiessly about the oppression brought on by the Moral Majority. Well, the Moral Majority has no objection to "The KGB

By William F. Buckley Jr. Connections: An Investigation into Soviet Operations in North America." What goes on?

ABC put up one-third of the money for the production, in re-turn for the option to show part of it in the United States. The option time came — and went. An official from CBS showed interest in it but there followed a lesion of interest. NBC seemed to be interested not at all.

Now "The KGB Connections" would be gripping film fare if it were discussing the means by which the Spartans undermined the Athenians during the Peloponnesian War. But its involvement with real people, existing sit-uations and ongoing threats elevates it to more than mere television drama.

#### Free Press?

It is the story of a huge, and hugely successful, offensive against the free world. It is a Sears Roebuck catalog of the devices, stra-tegems, techniques, used by the Soviet Union and by its dupes and agents to affect policy, and to com-mit subversion. mit subversion.

The directors bring extraordinary material to the screen for the first time. Here is Hede Massing, one-time wife of Soviet agent Gerhardt Eisler, calmly, intelligently and even coquettishly dis-cussing her role as a Soviet agent,

her knowledge of Alger Hiss within a Soviet cell. Nathaniel Weyl is

there also, recalling Alger Hiss.

The use of vanity, sex, money, blackmail is discussed not fictitiously, but through interviews with defectors. You see them on the screen. You see the results of their machinations. In some cases their faces are blanked out, to give them protection.

Castro and his agents make considerable appearances, and we learn of the uses of the United Nations, whose most prominent recent defector calmly estimates the extent to which the Secretariat is penetrated by the KGB. There are wonderful scenes of the Soviet Em-bassy in Washington, and of its aerial contrivances by which conversations are picked up and

At this moment there are two trials going on in which espionage for the Soviet Union is alleged. None of this would surprise any one who had seen, and reflected on, this remarkable documentary.

"The KGB Connections" is so striking a drama so thoroughly newsworthy, so legitimately enter-taining, that its absence from the television screen is prima facie evi-dence that, after all, it is true — America doesn't have full freedom

of the press. 6/98/, Universal Press Syndicate

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# Herald Tribune

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# U.S. Cocaine Sales Top Cannabis; Experts Worried by Drug's 'Harmless' Image

By Thomas O'Toole Washington Post Service

WASHINGTON - So rapidly has cocaine become the "drug of choice" among Americans that last year it surpassed marijuana for the first time as the largest producer of illicit income in the United States — and by a huge margin.

The growth in cocaine use in the last three or four years is so dramatic that street sales of the drug may have reached \$35 billion last year, outselling marijuana or cannabis by \$11 billion, according to Drug Enforcement Administration estimates.

"There has been an explosive increase in the use of cocaine by Americans in the last few years, says Dr. William Pollin, director of the National Institute on Drug Abuse "Even though cocaine is not physiologically addicting. I find this a very dangerous increase because we're talking about a drug that may be the most seductive, intense and threatening drug we

So far this year, the Drug Enforcement Administration sees no reason cocaine street sales will not set another record.

We estimate that as much as 50 metric tons of cocaine were brought illegally into the U.S. last year," DEA spokesman David Hoover said. "We think it's running a little more this year."

In addition to the implications for crime, cocaine appears to be deceptively harmless. In fact, it can be almost as dangerous as heroin, according to drug experts, and can cause paranois, hallucination and manic-depressive reac-

While most doctors who deal with dangerous drugs refrain from or addict them to the drug. It does describing cocaine use in the coun-

century "cocaine epidemic" in Europe. Then cocaine use was rampant in the professional classes.

"We're in the formative stage where we're still not dealing with large segments of the population," said Dr. Everett Ellinwood, a Duke University School of Medicine psychiatrist and pharmacologist who is an expert on drug abuse. "Once the epidemic hit at the turn of the century, it marched right down through the popula-

What worries pharmacologists like Dr. Ellinwood is that many users consider cocaine a drug whose "rush" or "high" rewards the body instead of punishing it. Users point out that cocaine does not put them to sleep, keep them awake, leave them with a hangover not smell, cause speech to suffer or

try today as an epidemic, many trigger a change in walk or per-compare it with the turn-of-the-

"A lot of people look at cocaine and think that the use of it has no consequences, you don't have to pay the devil his due," Dr. Ellinwood said.

What concerns Dr. Ellinwood most is that cocaine users are convinced the drug is harmless. "You can develop paranoia, deep-seated suspicion and then go into hallucinations, delusions of grandeur and manic depression," Dr. Ellinwood said. "A strong enough dose can make you psychotic and an overdose can kill you."

Statistics back this up. Last year, hospital emergency rooms took in more than 4,000 persons suffering from cocaine overdose. Also in 1980, medical examiners in the nation's major cities reported

were smugglers who tried to bring the body's motor system. the drug into the United States in balloons they had swallowed. The powdered acid used to preserve the cocaine ate through the balloons and exploded the drug in their sto-

Conventional users of cocaine "snort" it through the nose but more and more users are injecting it into their veins, smoking it in its pure powder form in what is called freebase," using it with other drugs like heroin and giving themselves cocaine enemas to heighten the "high" they get from cocaine.

Like a stiff dose of adrenalin, cocaine puts the body into the equivalent of a state of emergency. How it does that is something of a medical puzzle but doctors think it activates neurotransmitters in the brain that release large amounts of a brain chemical called dopamine,

At least 10 cocaine fatalities\* which exerts a strong stimulus on

"Coc 'ne acts on the brain for no longer than an hour but is very intense while it's working," Dr. Ellinwood says. "You also get a very quick reinforcing effect with a secmachs, causing almost instant ond dose of cocaine that you don't with other stimulants like

#### Reinforcing Effect

Dr. Ellinwood said the recent outbreak of cocaine use is a little like the surge of amphetamine use in the 1960s but also a little different. "A lot of people began using amphetamines out of some business ethic, to work hard and keep moving, to stay awake while others were relaxing, eating or sleeping. Coke on the other hand is a status drug. It's not to work harder. It's almost an exotic way of showing off."

While it is triggering the brain cells that fire off dopamine, cocaine is flooding the cerebral cortex, which governs memory and reasoning, the hypothalamus, which controls appetite, body temperature and sleep, and the cerebellum, which regulates motion, walking and body balance.

The trouble with cocaine is that it is so seductive it makes the user want more even while it is not technically addictive. Tests with monkeys have shown that they prefer cocaine to food and will even starve themselves to get the

Inevitable Consequences

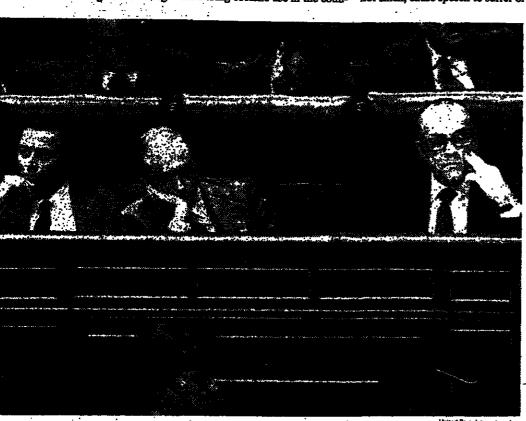
The consequences of prolonged use are inevitable. The alertness and exhibitation turns to insomnia and psychosis. Cocaine overusers have turned up in emergency rooms suspicious of everybody and thinking they were being persecut-

ed by hospital technicians. Paranota is a prize symptom of cocaine. One of the worst effects is that the user turns into a recluse no longer interested in anything but

Those who can afford it often go overboard on it. Actress Julia Phillips said she spent \$1 million on cocaine in 10 years. One woman movie director is said to spend

\$300,000 a year on the drug. A Florida psychiatrist said he is treating 10 victims of cocaine over-dose whose habits cost them be-

tween \$10,000 and \$20,000 a week. Nobody knows how many Americans regularly use cocaine but the numbers are growing. More and more is being smuggled into the United States every year from Peru, Bolivia and Colombia, where almost 100 percent of the east side of the Andes.



On the front bench of the Madrid parliament, Spanish Defense Minister Alberto Oliart, left, Foreign Minister José Pedro Pérez Llorca, center, and Premier Leopoldo Calvo Sotelo react each in his own way to the debate on Spain's entry into NATO. They are virtually certain of victory.

## Premier Urges Spain's Entry Into NATO, Says Its 'Destiny' Is Linked to the West

Calvo Sotelo told the lower house

of the Spanish parliament Wednesday that his Centrist party is seeking Spain's entry into the North Atlantic Treaty Organization "because our destiny is linked with that of Western nations."

In the second day of debate seeking passage of a government request to apply for entry into NATO, the premier said that by remaining out of the 15-member organization. Spain would not be

#### safe from risk in case of war. Defense Guarantee

"Soviet threats against countries that live in democracy and liberty are still there ... Those democra-cies, which we joined four years ago, constitute a permanent chal-lenge for the Soviet Union, which aims its powerful offensive weapons against freedom."-

He added that although Spain would prefer to live without blocs, the reality is that such blocs exist,

Robert Astles

Clears Amin Aide

was acquitted Wednesday of murdering a Ugandan fisherman after the High Court justice called the

prosecution testimony "a pack of

Mr. Astles, 60, was returned to Luzira Prison outside Kampala,

where he has been held for almost

two and a half years. Police sourc-

es said Mr. Astles, a Ugandan citi-

zen, may face further charges of murder and robbery with violence.

"the second most hated man in

Uganda," went on trial Oct. 13

charged with the murder of Henry

Musisi, 16, on the shore of Lake Victoria the evening of May 31, 1977, when Mr. Astles was chief of Marshal Amin's anti-smuggling

The two lay assessors who help the judge sift through the evidence

recommended at the end of testi-

mony Oct. 21 that Mr. Astles be convicted. But Justice Seth Manyindo, after reviewing the evidence.

Mr. Astles, once called by exiles

and as long as there is a wall in

Mr. Calvo Sotelo said that mem-bership in the alliance would give Spain a defense guarantee that it now lacks, strengthen its relations with Western Europe and improve its position when talking with the United States about the renewal of

He denied charges by the leftist opposition that Spain, which kept out of the two world wars, would out of the two world wars, would risk being drawn into a conflict by joining NATO. Since Spain harbored U.S. bases, "Soviet missiles would go for military objectives regardless of whether they come under a bilateral or multilateral ment," he said.

percent of its military budget to the alliance.

He also said that Spain's claim MADRID — Premier Leopoldo

Berlin, my government and its paral to the British colony of Gibraltar alvo Sotelo told the lower house ty know very well on which side to may have been weakened by its

The government is determined to make progress on this claim and has good reason to believe that this progress will be secured if Spain signs the Washington [NATO] treaty," he said.

The government project to join ntic alliance appeared cer tain of victory when it comes up for a vote later this week, despite strong opposition from Socialists and Communists.

On Tuesday, the house defeated by 172 to 144, with 10 abstentions. leftist motion suggesting that the NATO issue be decided by a national referendum, and not by par-

The Spanish Socialist Workers' The premier rejected criticism Party, the second strongest parlia-over the potential cost of member-mentary group, has announced over the potential cost of member-ship and said that Spain would not that it will call for a mass demonhave to contribute more than 2 stration in Madrid to protest the manner in which the government has handled the NATO issue.

# Labor Asks Inquiry Into Use Of Bingo in British Papers

By William Tuohy

Los Angeles Times Service
LONDON — The British government has been asked to step in and call a cease-fire to the newspapers' "Great Bingo War."

John Fraser, the opposition La-bor Party's spokesman on consumer affairs, said he would ask the director general of fair trade to investigate whether bingo is a "fair or desirable practice" in newspapers and if "selling goods by games of chance ought to be banned on the grounds that it is High Court Judge not in the consumer's interest."

"The newspaper industry," Mr. Fraser said, "is in such a serious state that ... papers ought to compete on news gathering and good journalism and not on a craze [for bingo] which is beginning to take up news space." Of Murder Charge The Associated Press
KAMPALA, Uganda — Britishborn Robert Astles, once a top
aide to deposed dictator Idi Amin,

Mr. Fraser's remarks came as the tabloid Daily Express decided to get into the bingo war, and the Daily Mail was considering competing with a roulette-type game.

In Britain, bingo parlors are widespread. They provide a popular form of afternoon and evening recreation. Over the years, many regional papers have run bingo games as circulation-builders, but the practice did not come to Fleet Street, home of the British national press, until this summer.

#### First at Daily Star

It hit first at the Daily Star, a tabloid owned by the Express Group and noted chefly for publishing pictures of unclad women.

At the time, the Star's circulation was 1.1 million daily. Most analysts said the Star would need about 2 million in order to make a profit. Within weeks, the Star's cir-

#### East Germans Escape

"I am satisfied that the evidence HANOVER — An East German escaping with his wife to West Germany was injured by shrapnel of [Mr. Musisi's two brothers] is a pack of lies. The prosecution case is so riddled with serious contrawhen they crossed the border on dictions that no court of law...can possibly base a convic-Wednesday, West German border

culation shot up to about 1.6 mil-

The equally flashy morning Sun quickly followed suit and saw its circulation rise from 3.6 million, already the largest daily circula-tion in Britain, to 4.1 million in a matter of weeks.

Now nine Fleet Street newspapers are involved in the bingo war, accounting for 11.3 million of the 14.3 million daily circulation and 14.4 million of the 17.6 million Sunday circulation, Only the so-called quality press has stayed out. Generally, the procedure is for

the newspapers to deluge a target area with bingo cards — either by direct mail or by hand deliveries. Large supplies of cards are also provided to local news vendors. The cards have boxes, with num-bers, and each card has a different set of the numbers.

Every day the papers run several numbers, and when these numbers match those on a person's card, the card holder is eligible for a prize.

Objections to the scheme have been raised by the British Bingo Association, which fears that fewer people will visit their halls if they can play at home. There are drawbacks to the bin-

go craze, according to some publishing analysts. It is costly to distribute the cards and pay the prize money. In some cases, costs could exceed the revenue from added cir-

The audiences tend to be older and less responsive to advertising hence the increased circulation may not be readily translatable into higher advertising rates. No one knows how loyal the new read-ers will be. When the fad wanes,

the new readers are likely to go back to their old reading habits. Jeremy Tunstall, professor of so-ciology and a specialist in newspaper economics, said: "It's part of the very long-drawn-out dance of death going on in Fleet Street. It also devalues the currency of newspapers. If people take them for bingo, they'll drop them for the

#### French Socialists Seem Aimless, Despite Their Victory the opportunity to submerge their

By Richard Eder

New York Times Service VALENCE, France — "It would be a paradox if we should see in our success our own extinction Paul Quiles, a Socialist leader, told his party's congress here last week. Normally, a political party that had won its first victory, and a smashing one at that, could be expected to be inflated and exuberant. At their first national congress since taking both the presidency and the National Assembly in the spring, France's Socialists have been complaining of a sense of aimlessness, of lack of purpose. For the past decade the Social-

ists thought of themselves, fairytale-like, as engaged in a battle to free the princess — France — from its guardian dragon — the French right. Now the dragon has been chased away and the princess wants to know what's for lunch.

In the big convention hall the speakers came back time and again to the question of what role was left to the party now that most of its leading figures were in the government trying to adjust a program of change with the need to keep the country fed, clothed, employed and secure.

#### 'Militance of Explanation'

President Francois Mitterrand sent a message — he was at the conference of industrial and developing nations in Cancin, Mexico suggesting that party activists should explain the government's actions to the people and reflect the people's concerns to the government. Laurent Fabius, the budget minister, suggested a con-cept he called "the militance of ex-

This did not satisfy a number of delegates. One said that "it is not because we have a Socialist president that we are going to say 'yes,'
when we have always known how
to say 'no.' "A worker from the
Ardennes, noting that the government had decided to build a nuclear power plant at Chooz even though Socialist campaigners had

#### **NEWS ANALYSIS**

indicated that it would be scrapped, said: "Can a party use one language in the campaign, and another in government?

The schoolteachers, labor activists, lawvers and housewives in the Socialist Party here have been used to a more permanent evangelical tradition. They are proud of their colleagues who have become ministers and assemblymen. They also feel marginally abandoned by them, particularly when they see them accepting compromises with business and financial groups that they have traditionally regarded as the enemy. There is an element of Pogo: "We have met the enemy and he is us."

In this respect, perhaps the un-sung hero of the Valence congress was its much-denounced villain --Pierre Moussa, who until last week was president of Paribas, the big French investment bank. Mr. Moussa resigned after a Swiss sub-sidiary of Paribas — which nor-mally would have been headed for nationalization along with its parent - had quietly been passed over into the hands of the bank's foreign associates.

This allowed government ministers, party leaders and delegates existential worries in a daylong lively denunciation of the wiles of the unreconstructed right.

It was only the next day that Pierre Mauroy, the prime minister, came down to Valence to point out that if outrage was good for a holiday, the government had no choice to combine firmness with

moderation for the working week. "We have won. Now we must succeed," Mr. Mauroy said, point-ing out that a Socialist government had to win the acceptance and co-

If there was one figure who best represented the strains in the party between fiery evangelism and hard

Mr. Jospin is passionate, for-midably intelligent, and a tough party organizer. His gray hair flares out when he speaks, his eyes glitter behind square-cut glasses, and he seems to be delivering anathemas. Except that, often enough, they are anathemas in be-half of reasonableness. It is not only his friends, but some of his rivals as well, who suspect a debilitating sense of humor behind the

the trench image.

"The question was asked in mili-tary terms," he said, "and like any male Frenchman in good health, who is not a conscientious objec-

The congress took time off to greet a long list of foreign delega-

operation of a great many French people who were not Socialists

practicality, it was the first secre-tary, Lionel Jospin.

Interviewed early in the week on radio, Mr. Jospin spoke of coming out of the trenches, seizing the redoubts of the right, and going back to mop up the garrisons. Asked why he had used such militant language - which reinforced the opposition's complaints that the Socialists are dictatorial - Mr. Jospin said that the whole trouble was that his questioner had suggested

tor, I replied in military terms.

ions from other Socialist parties. liberation movements and a few foreign Communist parties. The French Socialists hold that one of their functions is to pass on the virtue of politics around the world, and the response of the delegates

#### Nico Dostal Dies; Wrote Operetta 'Clivia' in 1933

SALZBURG -- Nico Dostal, 85, composer of the operetta "Clivia," died Tuesday, his family reported. The cause of death was not dis-

Mr. Dostal was the last prominent composer of an operetta era dominated by Franz Lehar, Oscar Strauss, Emmerich Kalman, Robert Stolz and others whose music Mr. Dostal arranged before writing his own compositions, which also included "Fiacre Song." "Clivia" had its first showing in

Berlin in 1933.

Ataru Kobayashi TOKYO (AP) - Ataru Kobayashi, 82, former president of the Japan Development Bank, who played a prominent role in rebuilding Japan's economy after World War II, died Wednesday of pneu-

There was enthusiastic applause for the South-West African People's Organization and the African National Congress, Nicaragua was also warmly applauded, but there is some concern about dictatorial tendencies - slightly less so.

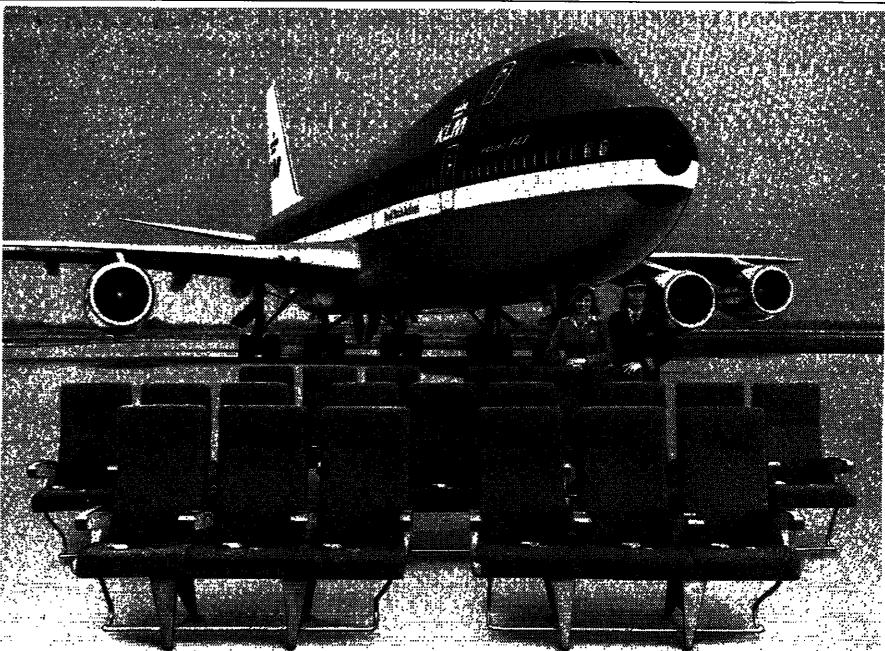
Hostility to Russian

The Israelis were warmly greeted. The Palestine Liberation Organization a little more warmly. A woman representing the Afghan resistance was given the most clamorous applause of the day. A delegation from Vietnam was applauded for a moment and then, as if the delegates were doing mental sums and had remembered Cam-bodia, booed. The Soviet delegation, led by Boris N. Ponomarev. was given a reception so hostile that the next day Mr. Jospin scold-

ed the delegates for it. The congress was held in Valence's temple of commerce — a 20-acre fairground and convention

The party paid for the accom-modations, but there were a number of helping hands. Notably, from the town's businessmen, who rented several dozen stands in part of the hall to exhibit such things as furniture, real estate schemes, toilets, waste-disposal plants and din-ner plates bearing the Mr. Mitter-rand and retailing for about \$16

It was, perhaps, the kind of collaboration of business with Socialism that the government has been pushing, and a contrast to the angry denunciations of capitalism made by speaker after speaker just



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# Binge-and-Purge Eating — the Roman Orgy, American Style

By Jane E. Brody New York Times Service

NEW YORK — The Roman orgy, a pro-longed feast interspersed with periodic purging to make continued gorging possible, was an occasional event among the wealthy in ancient Rome. But today this binge-and-purge behavior has become a daily affair for growing numbers of young American women, threaten-ing their health and interfering with their lives.

For some, the syndrome, known as bulimia (from the Greek, meaning "ox hunger"), has evolved into a \$50-to-\$100-a-day food habit that has forced them into bankruptcy, stealing and even prostitution. Victims may consume up to 55,000 calories in an hour or two, then induce vomiting and repeat the behavior as often as four times a day. Others take laxatives
— as many as 300 a week — to prevent their bodies from retaining the enormous amounts of food they consume

Psychotherapists at clinics for eating disorders around the United States say the secretive phenomenon, which nearly always starts with a stringent diet to lose weight, is now epidemic on college campuses. A single newspaper arti-cle on bulimia in Los Angeles brought 50 calls from desperate victims. A news service article emanating from the Eating Disorders Clinic at Massachusetts General Hospital recently brought 50 referrals in one day. And a program on bulimia broadcast on British televi-

sion drew 10,000 letters from persons who wanted help.

In Seattle, nearly 4 percent of students who visited the University of Washington Psychia-tric Clinic sought help for bullmia. Therapists there, who referred to the 4 percent as a "strik-ing frequency," said they believed this number represented the tip of the bullmia iceberg.

Binge eating is apparently extremely common, experts report. And some binge-enters discover they can avoid the caloric consequences of their behavior by purges. Various studies indicate that 15 to 20 percent of college women occasionally purge after binges, but for some it becomes habitual behavior.

A survey of 500 bulimics who, in response to publicity, contacted the Anorexia Nervosa Project at the Psychosomatic and Psychiatric Institute of Michael Reese Hospital in Chicago, showed that victims wait an average of 51/2 years before seeking help. Many had thought they were the only ones with this problem and were too ashamed to reveal it to their physi-

Yet, according to Dr. Craig Johnson, director of the project and editor of the new International Journal of Eating Disorders, early de-tection and intervention is important to suc-cessful treatment of bulimia. "The longer it goes on the more entrenched the behavior and the harder it is to intercept," he said in an

The survey indicated that the typical buli-

mia victim is a single white woman (only about 5 percent are men) from the middle and upper classes who has had some college education. Most are of normal weight and started the binge-and-purge behavior at the age of 18 after

Other researchers report that bulimics are typically upwardly mobile, achievement-ori-ented perfectionists who, despite their accom-plishments, have little self-esteem and measure their worth through the eyes of others. They also commonly fear intimacy with others and have conflicts between aggressive tendencies and their submissive role as women.

Dr. Anita Siegman of the University of

Southern California sees the eating disorder in part as growing out of the stress of trying to be perfect. "Eating becomes a form of release, the only thing they can completely control," she remarked. "Food temporarily relieves the anger and depression most of these women feel."

Dr. Richard Pyle of the University of Min-

nesota Hospitals and Clinics says that guilt-

know it exists. One woman managed to keep her daily binges secret from her husband of 20

In its most severe form, the syndrome pre-cludes a normal social and working life. "So many hours are spent eating and vomiting that

nearly all social contact is cut off," Dr. Pyle said. "Many patients said all they did was work, sleep and binge."

The disorder can also have potentially se-

rious, and possibly fatal, medical complica-

tions. Most commonly, victims develop severe

tooth decay from destruction of the tooth en-

amel by acidic vomitus. One bulimic patient sought help only after all her teeth had been

capped twice, at a cost of \$20,000. Other side

effects include a constant sore throat, eso-phageal inflammation, swollen glands near the

Life-threatening complications include rup-ture of the stomach and disruption of the

body's electrolyte and fluid balance, which can

in those who use laxatives, rectal bleeding.

eks, liver damage, nutrient deficiencies and,

'Bulimics' Are Mostly Young,

A \$50-to-\$100-a-Day Habit

Upwardly Mobile Women With

order that those who live with them may not clude with a basket of fried chicken, fisrfuls of

Bulimia is related to, but distinct from, another eating disorder, anorexia nervosa, the self-induced "starvation disease," which is also now being seen in increasing numbers of young people. Whereas most bulimics are at or near a normal weight for their height, anorexics drop 25 percent or more below normal weight. About half of anorexics periodically experience binge-and-purge behavior, and this group is considered hardest to treat. Bulimics and anorexics share a morbid fear of weight gain and a fear of losing control over their

Going on binges without purging is often found among obese people. However, according to Dr. Susan Wooley of the department of psychiatry at the University of Cincinnati Medical Center, the obese tend to consume far less food in a binge than do bulimia patients.

Whereas an obese person might count a half a pizza and two brownies as a binge, a typical binge for a bulimic may begin with two pack-ages of cookies and a loaf of bread, a gallon of milk and a half gallon of ice cream and con-

candy and pastries.

In an editorial to be published in the Inter-

national Journal of Eating Disorders, Dr. Wooley and her husband, Dr. Orland W. Woo-

ley, note that the currently popular "Beverly Hills Diet," which emphasizes consumption of

large quantities of fruit, has many earmarks of

producing purges through diarrhea caused by the excessive ingestion of roughage." Dr. Woo-ley said. "She, like the bulimic, is very sensitive

to small weight changes and changes in water balance. Her cure for binges is to eat food

that causes diuresis [excessive urination] and

limia. While most view it as a form of sub-stance abuse, akin to drug addiction and al-

coholism, others say it is an obsessive-compul-

Dr. Johnson, who considers bulimia an addiction, said bulimics use food to regulate ten-

sions. "They latch onto food, instead of alco-

sive disorder like compulsive hand-washing.

The South

Experts disagree on how to characterize bu-

The author [Judy Mazel] accidentally struck upon a system that mimics bulimia by hol or drugs, because they are basically a bunch of good girls, not lawbreakers, and food has no apparent moral, legal or medical conse-quences," he said.

Cultural factors that place a premium on slimness also play a role, the experts believe. In some people, the effort to be thin results in a state of chronic self-induced starvation. As Dr. Wooley put it, "One hundred percent of the people want to be in the bottom 10 percent of a bell-shaped curve of normal weight distribution. This is especially true for women, many of whom try to maintain a weight that is below their normal set point."

She cited studies of starvation showing that people of normal weight who lose a significant amount of weight start going on binges as soon as they are given access to unlimited quantities of food. This phenomenon may explain why bulimia commonly starts at the conclusion of a diet. Dr. Wooley believes that binges get worse with time because the repeated purges impair the body's ability to detect satiation; this results in a need for ever-greater quantities of food to appease "hunger." Dr. Johnson said his survey revealed that

"the binging per se is not a gratifying experi-ence" but rather is associated with feelings of disgust, helplessness, guilt and panic. The purge, on the other hand, is a source of relief

Based on such observations and on their be-lief that bulimia is a compulsion, Drs. James Rosen and Harold Leitenberg, psychologists at the University of Vermont, begin treatment by

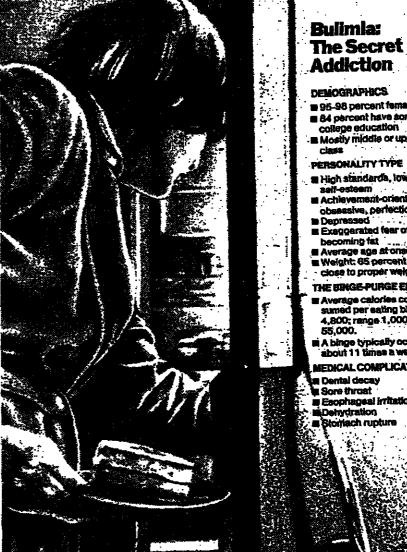
preventing the purges.
"The driving force of the disorder is the vomiting, not the binging." Dr. Rosen said.
"Some bulimics report that they binge only to make it easier to vomit. Once someone has learned that vomiting reduces anxiety, rational fears no longer inhibit overeating."

Thus, he starts by showing victims they can live through the anxiety provoked by eating. As fear diminishes, more normal eating habits evolve, the Vermont researchers said in a report that will soon be published. They say they have completely stopped the binge-and-purge syndrome in a dozen patients treated thus far, with minimal weight gain afterward, but fur-ther studies are needed to determine the treat-

ment's long-term value.

Dr. Pyle of the University of Minnesota Hospitals believes the key to treatment lies in learning to eat three meals a day, planning ahead so as to reduce anxiety about food. This is coupled with a program of exercise and relaxation, behavior modification techniques

and psychotherapy. At Massachusetts General Hospital, Dr. David B. Herzog and his colleagues take an interdisciplinary approach to treatment, including psychotherapy, nutrition, social work and dentistry. Dr. Herzog, among others, has found that group therapy is helpful to many bulimics, who generally feel isolated and alienated.



DEMOGRAPHICS m 95-98 percent female 84 percent have some a

E Mostly middle or upper

PERSONALITY TYPE 📰 Hìgh standarda, low 📆

obsessive, perfections ■ Depressed ■ Exaggerated fear of ■ Depressed

becoming fat ■ Average age at onset: 18 Weight: 65 percentare close to proper weight

THE BINGE PURGE EPIECO sumed per eating bings; 4,800; range 1,000 to

55.000. A binge typically occurs about 11 times a week.

MEDICAL COMPLICATIONS m Dental decay Sore throat

Esophageal irritation riach michice

fit from anti-depressant drugs, preliminary studies indicate. A Stanford University study suggested that perhaps a third of bulimics might be helped by treatment with the antileptic drug, Dilantin, although other spe-

Some who are severely depressed may bene-from anti-depressant drugs, preliminary achieve a therapeutic relationship," he said. Dr. Siegman says the treatment of bulimi tends to be prolonged and may succeed only in suppressing the syndrome, rather than curing it. Like the formerly obese person who must constantly control overeating, many bulimics calists disparage this approach.

Dr. Herzog has found that not all bulimics who ask for help are able to accept it. "They for the rest of their lives.

# Long Dispute Expected On Merits of Private vs. Public Third World Aid

By Iain Guest

New York Times Service GENEVA — Last week, on the eve of the North-South summit meeting at Cancun, Mexico, the Geneva-based International Labor Organization released a study showing that \$76 billion worth of foreign investment in the Third World had led to the direct formation of only 4 million jobs — 0.5 percent of the total work force.

The study was in stark contrast to an earlier estimate by the agency that I billion jobs need to be created in developing countries by the end of the century. It has also served to east doubts on the view of the Reagan administration that the private sector holds the key to Third World development.

That view, put forward by President Reagan at the International Monetary Fund meeting in Washington and at Cancún, is emerging as a central plank of U.S. strategy for the Third

This has left officials in Geneva perplexed, as it comes after years of growing consensus among UN agencies that unfettered free enterprise is a recipe for urban slums and indifference to the rural sector, where most of the Third World's 800 million poor live.

The consensus is now seen as challenged by

a U.S. administration that is prepared to project its economic philosophies onto the Third World, to demand cutbacks in the government sector, to reduce aid and to trim the role of international agencies in which it has a

"To say we're worried is an understate-ment," said one official. He predicted a pro-longed period of dispute ahead that will over-shadow the agreement at Cancún to conduct North-South negotiations within the United

#### The most and the least Shares of world resources and expenditures '

i	Developing countries	conutries Developed
Population	75%	25%
GRP.	21%	79%
Export semings	25%	75%
Military expanditu	23%	77%
Weaports	81%	19%
Energy consumpti	on 23%	. 77%

-latest available year in each case

Source: Weapons imports from United Nations, all others from Overseas Development Council

The first bone of contention is: What is the root cause of Third World poverty? Reflecting their own efforts to curb public spending, Mr. Reagan and British Prime Minister Margaret Thatcher appear to view the cause as excessive, inefficient government. UN officials in Geneva, in contrast, cite a series of external blows over which the developing countries have had

• Commodity prices are now at their lowest level, in real terms, for 30 years because of

 Each extra percentage point on interest rates adds \$2 billion to the cost of servicing the Third World's debts, which rose last year to

Oil imports by the non-OPEC Third World now cost up to \$60 billion, and each dollar increase on a barrel raises the bill by

\$1.8 billion. · Reflecting inflation in the West, the prices of food and manufactured goods have risen far faster than the Third World's ability to

From this stems a disagreement over the role of the IMF, whose job as world economic policeman was again defended by Mr. Reagan at Cancún. It is partly a question of the relatively small amount loaned by the IMF to the non-OPEC developing countries — roughly \$9 billion last year against deficits of \$82 billion — and partly the deflationary conditions that come with IMF loans.

Critics complain that these conditions have a depressant effect in countries that lack the West's "social safety net" of welfare and oldage pensions. They also ask what is the point of such conditions if the economic crisis is outside a government's control.

One foretaste of the debate to come was of-fered recently when the World Bank released a report on sub-Saharan Africa, prepared by U.S. economist Elliot Berg.

At first reading, the report — which was redrafted after protests by African governments — confirms many of Mr. Reagan's points. It criticizes inefficient and "bloated" bodies such as commodity marketing boards, and points with concern to the growth of public expenditure (in Mauritania, for example, this has reached 18 percent of the gross domes tic product. In Kenya, the figure is 17 percent.)

Not Less, but Better Yet one analyst in Geneva viewed the Berg report as a call not for less, but for better, government. He pointed out that the report, as well as calling for a doubling of aid to sub-Saharan Africa, stresses the lack of trained manpower, which the analyst called "possibly the single greatest bottleneck to development"

For this official, as for others, two important questions arise from the Berg report and the controversy it has generated: First, whether governments of least developed countries should be prepared to give up responsibility for such key operations as cocoa and coffee-marketing boards and social programs for health, education and employment; and sec-ond, if they did, whether the private sector could be persuaded to take their place.

Many analysts in Geneva say that the answer to both is no, because the private sector sees less and less attraction in the diminishing purchasing power and failing living standards

of the poorest countries.

This conclusion, which challenges Mr. Reagan's contentions, appears to be borne out by recent work of UN bodies in Geneva.

# **North Meets South, Rich Meet Poor**

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Bangladoch	\$90	35	41••	<b>\$2.8</b> .	29.6
India	190	27*	242	15.6	12.3
China	260	N.A.	835	N.A.	N.A.
Tanzania	260	N.A.	53	1.1	25.3
Guyana	580	N.A.	N.A.	N.A.	N.A.
Philippines .	600	32	356	5.2	17.3
Nigeria	670	- 2	83	3.7	5.0
ivory Coast	1,040	10	234	3.6	40.3
Algeria	1,590	· 2	<b>671</b>	15.3	49.1
Mexico	1,640	4*	1,673	28.8	24.5
Brazii	1,780	39	1,062	35.4	17.7
Yugoslavia	2,430	25	2,440	3.7	5.2
Venezuela	3,120	22	3,055	9.8	20.0
Saudi Arabia	7,280	0 -	1,554	<del>-</del> .	
	**Kilograms o	f coel equivalent		^Fig	ures for 1977
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Sweden	\$11,930	- 15	8,502	\$928	.76
W. Germany	11,730	14	6,627	3,512	.43
United States	10,630	31	12,350	7,091	.27
France	9,950	21	4,995	4,041	.62
Cenada	9,640	9	13,534	1,035	.42
Japan '	8,810	32	4,260	3,300	.32
Austria	8,630	14	6,975	174	.22
Britain	6,320	13	5,637	1,776	.34
	. 3,000			Soun	ce: World Bank

The discrepancies in wealth between rich and poor countries is especially apparent statistically in relative energy costs.

In Africa, infant mortality claims one in 10 children born. In some countries of sub-Saharan Africa, only 1 percent of the rural population has access to fresh water,

Opportunity for Industry

Officials at the Geneva-based World Health Organization have long argued that such statis-tics — however appalling — represent a major opportunity for private industry. For example, urgent efforts are under way to develop new anti-malarial drugs following signs that the parasite that causes the disease has developed resistance to drugs in a broad stretch of Asia

and Latin America. But only one new drug, called mefloquin, being tested by the Swiss company F. Hoff-man-La Roche & Co., is expected to come onto the market in the near future. WHO officials are alarmed that the number of large companies actively researching anti-malarials has fallen in about the last three years from 15

Part of the reason, they concede, is the role of WHO itself. In an effort to cut Third World import bills, for instance, WHO has urged Third World governments to limit the range of

drugs they buy to 200 essentials, and has offered to act as intermediary in bulk buying, further reducing the incentive for industry. In addition, however, there is the huge cost

of developing a new drug — put at more than \$15 million in the case of melioquin. Despite the involvement of Hoffman-La Roche, most of the expensive research on the drug was con-ducted at the Walter Reed Army Hospital in Washington.

But WHO officials feel that the main reason for the companies' reluctance is the poverty of the governments that most need the drugs.

They prefer to develop drugs against rheu-matism and arthritis for use in affluent countries where they can make a profit," said Walther Wernsdorfer, an official in the WHO malaria division.

#### Greater Commitment

While industry clearly has a role, say WHO officials, it cannot substitute for a greater commitment to health programs by governments, help from multilateral agencies, and major for-eign aid — all of which are viewed with suspicion by Mr. Reagan. In 1977, developing countries spent \$75 billion on health, of which only \$400 million came from aid.

The ILO report that foreign companies have directly created only 4 million jobs in the Third World also points out that investment has missed both the poorest countries and the neediest sectors.

Of the \$76 billion of direct investment in the Third World at the end of 1976, \$41 billion was invested in 10 of the most advanced countries, with Brazil accounting for \$10.7 billion. Despite its needs, Africa's share was only 14 percent — a decline from 19.4 percent at the end of 1970.

#### **Barriers Need Lifting**

According a related ILO survey of 250 companies, 87 percent of the jobs created were in-manufacturing, and only 1 percent in agricul-

ILO officials have long argued that instead of depending on foreign investment, govern-ments should implement land reforms and programs aimed at meeting the basic needs of the very poor. This in turn, they say, would create a better climate for Western investment.

The first bone of contention is: What is the root cause of Third World poverty? Excessive, inefficient government, or a series of externalblows over which developing countries have had no control?

Yet ILO officials also agree with Mr. Reagan that barriers to the Third World's most competitive products must be lifted. They have thus watched with alarm as the United States and the European Economic Community have fought for tougher curbs on textile imports once the current quota-setting multifiber arrangement expires at the end of

At the end of 1980, Third World debts stood t \$456 billion. Of this, roughly \$300 billion. has been loaned by private banks — and nowhere else in its involvement with developing countries is the private sector quite so ex-

"The banks have done a heroic job," said Dragoslav Avramovic, a Yugoslav economist with the UN Conference on Trade and Develwin the UN Conterence on Trade and Dever-opment. Nonetheless, he said, the limit has al-most certainly been reached, and he warned of "catastrophe" if a major debtor such as Brazil, which owes \$45 billion to banks, were to de-fault. At the end of 1980, 26 developing com-tries were in arrears over repayments.

Other officials at the trade conference point out that as the private hands have taken as

out that as the private banks have taken on a larger share of loans to the Third World, the poorest countries have received proportionally less, because they are not considered creditworthy. The effect of this has been to

increase the need for official government aid.

The conference's recipe is for sweeping structural reforms under the banner of a new international economic order," and this has brought it into sharper conflict with the Unit-

ed States than any other UN agency.

Still, a growing number of UN officials agree that some kind of across-the-board changes involving debt relief, commodity stabilization and a substantial transfer of resources (assuming this could be achieved with-out fueling inflation) may be the only salvation for an increasing number of countries.

# Nation Attracting More Foreign Investors as EEC Entry Nears

By David Baird

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CPAIN is vigorously courting foreign invest-I ment and the obvious attractions have brought in a flood of foreign interests that of-ten appear to have more faith in the country's future than the Spaniards themselves.

Apart from generous tax and credit incentives, Spain's future entry into the European Economic Community is a potent hire. With unemployment running at 13 percent of the work force, labor-intensive ventures are particularly welcome, and the trade unions have muted some of the militancy that marked the first years of the transition to democracy. Direct foreign investment last year totaled \$1.2

The February coup attempt does not appear to have shaken confidence and there is a general feeling in the business community that finally the government is taking necessary steps to sort out the economy. One influential for-eign banker in Madrid said, "I'm very optimis-tic about Spain's future in terms of foreign investment. If I had the choice of investing in France or Spain, comp or no coup, I know damn well I would rather risk it here than in

#### Liberalization

As part of a liberalization program, only in-estments of more than \$5 million now need to have cabinet approval. Attempts are being made to reduce the red tape involved in investing in one of the industrial expansion areas where free or cheap land is available. Priority is given in obtaining offical loans and some taxes are reduced by up to 95 percent for five years. Profits and dividends can be freely re-patriated and export credits are available on favorable terms.

Leading the way in Spanish investment is the United States (42 percent of new investment in 1979 and 25 percent last year), followed by Switzerland, France, West Germany and the Netherlands. Arab oil money has also been exprising which to have real estates and been arriving, chiefly to buy real estate and interests in tourism ventures. Chemicals, fi-nancial institutions and the hotel business continue to attract foreign money, but the biggest sector by far is the antomobile industry.

#### Foreign Interests

Ford led the way in the early 1970s by investing an initial \$600 million to establish a factory near Valencia to produce its Fiesta. From the start it was a success story and last year Ford Espana turned an \$8.4-million profit. "By any terms of measurement, the Spanish project is one of the best investments Ford has ever made," said Carl F. Levy, founder of the Valencia factory. After 27 years with Ford, he left to become managing director of a new American project with International Harvest-

International Harvester has acquired 35 percent, with an option to take a further 30 per-cent, of the state-owned Enasa (Empresa Nacional de Autocamiones), which produces helm, International Harvester is injecting \$500 million and its technology into Enasa. A new company, known as Enasa Internacional, with a majority IH interest, has just bought a site outside Madrid for a factory to produce 80,000 four-cylinder mesel engines annually by 1985. Eighty percent to 85 percent of the engines will be exported. IH designs will also be used for a new line of Enasa farm and vine-

One Madrid-based business expert said, "Everything is not cast in concrete here. It may be the last oportunity to get into the EEC environment writing your own rules."

General Motors clearly understood that, when it extracted generous terms from Spain in return for investing more than \$2 billion in the biggest single foreign investment project

More than 12,000 jobs will be created by the company's factories under construction in Saragossa province, near Cadiz, and at Logrono. Production is due to start in September, 1982, of a new economy car intended chiefly for export. Annual output is planned to reach 270,000 vehicles. The project benefits from cheap land and official credits and subsidies, demonstrating government eagerness to en-courage development in particular areas.

#### Japanese Present

The Japanese are also establishing a toehold in Spain. Yamaha caused some alarm to domestic motorcycle manufacturers with its move to take over two companies. Nissan, with a 36 percent interest acquired from Massey Ferguson, is introducing its technology into Barcelona-based Motor Iberica. The company is gearing up to turn out a Japanese-de-signed four-wheel-drive vehicle and a van for export markets. Meanwhile, the financially

troubled Seat automobile company is seeking a partnership with Toyota to replace Fiat, which abruptly backed out of a take-over deal last year. Seat desperately needs multinational

links to attain viability.

Preparing for EEC entry, Dow Chemical is investing heavily in expanding its Tarragona installations. Recently it agreed to pay Enpetrol, the state petrochemical giant, \$150 million for an ethylene plant instead of building its own plant as previously planned. Spain is looking for the latest technology, and food processing, electronics and consumer goods appear to offer bright opportunities. The country's drive to become less dependent on oil imports opens up new vistas. In Bilbao, work is proceeding on a super port intended to be a major transshipment point for coal and other materials. Elf Aquitaine is one of the

foreign interests already participating.

It is noteworthy that a good part of the revival of the Madrid stock market has been due to foreign investors' buying up shares in banking, electricity companies, chemicals and other

David Baird is a British free-lance journalist based in Malaga.

# INTERNATIONAL

PARIS, OCTOBER, 1981

A SPECIAL SUPPLEMENT

# Opening the Gates

By Mark J. Kurlansky

TAKE A MAP of Europe including everything from the Ural Mountains to the Atlantic and Legion color in all the countries belonging to the three important trade groups — EFTA (European Free Trade Association), the Common Market and the Soviet block's COMECON — and there are only two countries left in isolation: Albania and Spain.

"For centuries we have been isolated from what is our real space," said the Spanish Secretary of State for Common Market relations, Raimundo Bassols. The late Generalissimo Francisco Franco and the Falangist philosophy from which he derived much of his style espoused a distrust of everything foreign. For 36 years he isolated the country as much as possible. After his death in 1975, Spain began to reawaken to a modern postwar

world, and began to deal with four decades of postponed decisions.

Some of these, such as NATO entry, are controversial and the nation has been thrust into a dizzying storm of major economic, defense and foreign policy debates. But on the broader issue,

to abandon isolation, there is a strong consensus.

"The tragedy of Spain," said a well-established Spanish painter, "is that Franco didn't die a little earlier." This sentiment is often heard from laymen and politicians. Franco spent his last years riding out a period of great economic growth. At about the time of his death, the recession that had hit the rest of the world two years earlier swept into the Spanish economy.

**Economic Growth Rate** 

In the last decade of Franco's rule the economic growth rate averaged seven percent. Inflation is also running high but the greatest problem in social terms has been unemployment. There are more than 1.6 million unemployed Spaniards, a figure that has doubled since 1977.

These problems not only make it difficult for Spain to open into Europe but give ammunition to retrogressive elements under the increasingly familiar slogan "We lived better under Franco."

"The Spanish people are a people tightly bound to democratic liberty who did not live well with fascism," said Socialist leader Felipe Gonzalez. This is the image that most Spanish leaders want to give the world. The attempted coup d'etat in which the military held the legislature at gunpoint in front of the television cameras was seen as a humiliation and an insult to what they have been trying to build. The Madrid daily El Pais characterized the attempt in an editorial the following morning as "a humiliation for the dignity and maturity of one of the oldest nations in following morning as "a humiliation for the dignity and maturity of one of the oldest nations in the Western world."

After the coup attempt, Spain underwent a nervous period in which the Socialist opposition worked closely with the ruling UCD (Union of the Democratic Center) and compromise accords were drawn up on certain issues, such as the economy and regional autonomy.

This fall has begun with a greater sense of confidence. Mr. Gonzales, who was warning of further dangers last spring, said, "There is no reason internally or internationally to think that a coup d'etat attempt could succeed."

#### **European Democracy**

Spain is back to taking on the controversial question as to what kind of European democracy to become. Under the pressure of issues such as a scandal over poisonous olive oil that has killed 165 people, public education, private television, NATO entry, the decentralization of the government and the worsening economic picture, the political parties that were formed in haste after

the death of Franco are shifting, fraying and splitting.

The Socialists are moving closer to the center. The UCD, a party that Antonio Garrigues (a multinational lawyer who refused a post in the government to develop his own "liberal" movement) describes as "trying to have the three main ideologies of Europe live together in one

party," is dividing into at least three identifiable factions.

This fall Spain is, in the words of Mr. Garrigues, "getting down to real politics."

It may be that the post-Franco period is ending and a new period beginning. There is still an air of excitement and change. Banks and major industries are reorganizing, social institutions are being re-evaluated, the arts are being internationalized and, after centuries, Spain has the fresh, youthful feel of a new country.

Mark J. Kurlansky is an American free-lance journalist based in Europe.

# Debate Over NATO Membership Heating Up

ONE of the primary preoccupations of the Spanish government this fall has been entry into NATO, a move that is not only unpopular but, according to a recent poll for the Madrid daily newspaper El Pais, is considered a priority issue by only 3 percent of the population. Nevertheless, large demonstrations have been held and the signatures of hundreds of thousands collected to oppose NATO entry. Former Premier Adolfo Suares backed off from the NATO issue while in power, feeling

from the NATO issue while in power, feeling that other related points, such as the status of Gibraltar, needed to be straightened out first. But when Leopoldo Calvo Sotello came to nower he immediately began moving toward NATO entry.

"As a medium [power] country we share the common dangers of Western countries," said Foreign Minister Jose Pedro Perez-Llorea in a contribution of the country was a source of the country of the countries."

private interview shortly after rejecting a Sovi-et memorandum cautioning Spain against the NATO move. Mr. Perez-Llorca emphasized that Spain in-

tended to be "a strong supporter of detente in NATO. We do not want our decision to be misunderstood and considered hawkish." In fact, the government is insisting that no nuclear weapons be placed on Spanish soil.

In 1979, the Spanish had the United States

withdraw its nuclear weapons from the Rota submarine base.) They are also insisting that the Spanish command all forces on Spanish territory and in territorial waters. A major reason for seeking entry is simply to build more ties to the Western world. The advocates for entry see it as a step in Europeanizing and modernizing the country. In military circles it is seen as a chance to modernize the Spanish armed forces. There is also

was the phrase used by one top government Until now, the main military tie with the

a widely questioned argument that NATO entry would Westernize the conspiracy-prone rightist military. "Modernization of the mind"



Jose Pedro Perez-Llorca



the United States is a symbol of the Franco



treaties with the United States that began in 1953. The relationship consisted mainly of American loans and grants, which chiefly went to the military in exchange for the use of four bases. The last treaty, signed in 1976, was to have expired in September but was extended eight months because the two nations have not vet agreed on a new accord.

To many Spaniards, the relationship with



Western world has been a series of bilateral

era. American ties with the late Generalissimo



Spanish Socialists seek backers for anti-NATO stand.

segment of the population. "We were trauma-tized by the American approval of the dicta-torship of Franco," said Socialist leader Felipe Those Spaniards who still favor a bilateral accord feel that the United States should offer more in both civilian and military cooperation

than was offered to the late dictator.

"As is natural, the less-strong country in a bilateral negotiation of this nature should make sure that it is getting what it needs," said Robles Paquer, who was heading the Spanish side of negotiations.

#### National Referendum

New negotiations will not begin until after the NATO issue is resolved. "Entry into NATO will greatly facilitate obtaining our goals on the bilateral treaty," said Mr. Perez-Llorca. Some advocates of NATO entry even suggest that it will make a bilateral relation-ship with the United States unnecessary.

The Socialists (PSOE) and Communists (PCE) vehemently oppose the Spanish entry into NATO. Even in the ranks of the ruling UCD (Union of the Democratic Center) there is uncertainty. The government, pointing to one article in the Spanish Constitution, want-ed to decide by a simple majority in the legis-lature. The left, pointing to a different article in the Constitution wanted a national referendum. The government, with enough legislative votes behind them, refused the referen

There is good reason to think that a national referendum would be easily won by the anti-entry side. The most recent poll, taken this month by Sofemasa for the respected Socialist leaning El Pais, showed 52 percent op-posed to entry and 18.1 percent in favor. The referendent approach was favored by 69 per-

Spain has been neutral since 1939 and has relatively open relations with the Soviet Union. It also has close ties with the Arab world (Spain does not recognize the state of Israel). Opponents fear that NATO entry would jeopardize Spain's unique position. Felipe Gonzalez insists that he does not oppose NATO but only Spanish entry at this time. He points out that NATO would not defead Spanish in the NAT terests in the North African enclaves of Centa and Melilla and would oblige Spain to defend the popularly resented (in Spain) British sovereignty of Gibraltar.

The government acknowledges that there is strong public opposition to the NATO plan, but insists that it is "too complex" an issue for a referendum. They are anxious to get NATO entry passed this fall and proceed with the political rehabilitation of the UCD which has become particularly urgent since their defeat in the recent Galician amonomy elections.

#### Delaying Tactics

Socialist delaying tactics have already caused them to miss their first goal, which was the Oct. 27 reopening of the Madrid Conference on Security and Cooperation in Europe. The next target is Nov. 26, when Common Market discussions on Spanish entry will take place in London. It is hoped that NATO entry might have a positive effect on those talks. Premier Calvo Sotello will also go to London

(Continued on Page 8S)

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# Opposition Leader: A Man on the Move

NATO entry, rising unemployment, a scandal over toxic olive oil that has killed 165 people - divides and subdivides the ruling UCD (Union of the Democratic Center) party, it is being thought more and more likely that the 39-year-old leader of the opposition, Felipe Gonzalez of the PSOE (Spanish Socialist Workers Party) could be president of the Spanish government by 1983.

Casually but well-dressed, seated in his modest and comfortable office on the top floor of the closely guarded party headquarters in the Rios Rosas section of Madrid, he puffs on an exquisite, hand rolled, eight-inch Havana cigar that he said was sent to him by Fidel Castro. He speaks articulately and with confidence, but with an underlying intensity that he can use to mesmerize crowds. In the world of politics he could be called

Mr. Gonzalez, who spent his youth in underground anti-Franco activities and as a labor lawyer. said he is not a politician by call-ing. "I am in political activities for moral reasons. I am, they say, relatively young for a politician. I had not thought about a governmental role in my life. I was in a struggle against a dictator for 20 years and after the dictator, I have tried to fight to consolidate a democratic

regime."
He feels that the United States has sometimes had a negative in-fluence in that consolidation process, such as U.S. Secretary of State Alexander Haig's failure to condemn the attempted military coup d'etat on Feb. 23 in which Mr. Gonzalez and the rest of the Spanish legislate the rest of the Spanish legislature were held at gunpoint. Mr. Gonzalez protests what he sees as the American "image of Spain as an underdeveloped country on the one hand and a country without a [democratic] tradition and on the other hand with a very negative tradition more or less like Turkey [where a military coup] was accepted not only by the United States but much of Europe as the lesser evil ... Spain is

As is evident at a press conference, where he skillfully fields questions from reporters, the United States is a favorite subject for Mr. Gonzalez. When confronted with a U.S. issue, his index finger strikes out belligerently as he makes his points. Although he often speaks severely of the United

nurtured in his recent coming of

age as an international figure.

He had always refused to go to the United States, a country he has since childhood resented for entering into a treaty with Generalissimo Francisco Franco in 1953. "Eisenhower reinforced the dictatorship," said Mr. Gonzalez. But his first visit to Washington and New York in 1977 changed his image of America. "Since that moment, I am always of a disposition to go there, to know the society, the am-biance and the politicians of the

" I was struck by that experience the capacity to express liberty, to breathe, to live in the society even if I have many criticisms." The Spanish opposition leader concedes that it is more difficult for him and his party to maintain good relations with the Reagan administration than it was with the Carter administration. But he is

not totally dissatisfied with the Reagan hard line toward Moscow. "I am afraid of the increase in international tension. But on a broader reflection I believe, sincerely, that for the Soviet Union rstand, to sit around a table, it is better with the hard-line Republican administration than the Democratic administration."

Mr. Gonzalez speaks of "the logic of superpowers beyond ideo-logical differences" that enables them to understand each other. He said that former President Jimmy Carter broke from the superpower logic, and he paid."

Mr. Gonzalez, who as vice president of the Socialist International drafted the Socialist stand sup-porting Nicaragua and the guerrilla movement in El Salvador, is less content with superpower logic in other areas. "It is very difficult to understand the United States on the problems of Nicaragua, El Salvador and Central America. It is very difficult to understand the Soviet Union vis a vis the problem of

Asked in what sense of the word was a Socialist, the man who had the name of Marx struck from the doctrine of his century-old par-ty smiled and said, "In all senses," and then added without the smile, but not in the communist sense. I think that especially in the United States there is tremendous confusion of concepts, of ideologies, of

political programs."
Mr. Gonzalez feels that Americans do not understand the impor-



Felipe Gonzalez

tance of his brand of European socialism in Europe and other recious. According to him, in Latin American countries, "the best American countries, "the best redistribution of wealth is democratic socialism and in this sense the fundamental barrier against the implantation of communism is always a democratic socialis

On Spanish-American relations,

Mr. Gonzalez said, "Really, we have had no reason to be satisfied past," and cautions that there is "a very delicate historical change taking place in the youth of Europe."
He said: "The youth of Europe did not see World War II. They did not live through the United States as liberator. They have today's experiences. They are today in a debate that began with the Vietnam war. So today the debate on nuclear arms, Iran, economic independence, is creating a refusal of the United States among the young which I think will be very difficult to repair. I think that the United States is not sensitive to this change of opinion, which forgets the role of liberator, the Marshall Plan, etc."

Mr. Gonzalez, who is leading the fight essint Specials are interested.

the fight against Spanish entry into NATO, sees a unique role for Spain in the world. "In East-West relations it is clear that Spain is the West in all senses and historical conditions. In North-South relations it is a country halfway be-tween the North and the South. Not only because of geography but because of development. It is a country that expresses the inequality between the North and South because it is situated geographically and economically in that place."

--- MARK J. KURLANSKY

## Air Travel Soars, Roads and Rails Gain

By Mark Williams

ON SUMMER weekends, Palma de Majorca's Son San Juan Airport is one of Europe's busiest, handling more than 500 flights and 60,000 passengers daily. Yet, during the winter, traffic falls dramatically. The highly seasonal nature of some "tourist airports" is just one variable complicating Spanish airport planning. Another is the unusually large number of international airports.

"There are 33 civil airports in Spain with more than 20 receiving international flights," explained Luis Alvarez, Spanish minister of transportation, tourism and communications. "Eleven others, belonging to the military, are also used commercially. Germany, by contrast, has only 12 international airports.

Problems in running so many major airports efficiently have been compounded by the speciacular growth in air traffic over the last two decades, from about 3 million passengers in 1960 to more than 45 million last year. Because of Spain's unusually tough terrain; with Europe's second highest average altitude, Mr. Alvarez said, surface transportation was retarded and the country developed a high dependence on the airplane. Expansion was not always matched by improved ser-

Recently the government won approval of a five-year, \$820-million program designed to restructure and modernize Spanish airports. Most of the money will be funneled into 10 regional destinations that receive the bulk of traffic. The remaining appropriate the spanish of traffic. maining provincial, municipal or strictly tourist airports will receive less attention.

The plan is designed to improve three basic areas: air traffic control through semi-automation, the general infrastructure with new and better terminals, runways and loading facilities, and airport services like security and passenger control. Things like baggage handling and reservations are affected indirectly," said Mr. Alvarez.

Spanish authorities have already begun several projects, including new terminals at Madrid and Valencia. The new Vitoria Airport serving the Basque region is Spain's most modern. "We are rationalizing the system to improve security, effi-ciency and economy. By 1985, Spain's surports will match Western European standards in every

Spain's national railway network. A decade ago, the antiquated train system was a traveler's nightmare. Anyone unwittingly boarding the correct found himself stopping at every village en route. The rapido and expresso trains, which charged velocity supplements," made a mockery of their names by finally depositing bone-weary passen-gers at their destinations many hours and even

days after departure.
Primitive Spanish rail conditions began to change in 1958 with the first Ten Year Plan and more improvements came during the 1970s. Another giant stride toward a first-class rail network was taken in July with the Plan General de Ferrocarriles for 1982-1984, part of a \$3.2-billion project stretching to 1992. RENFE will add tracks, electrify and renovate others, break up traffic bottlenecks and purchase hundreds of modern cars and locomotives.

Spain's rail system suffers from its basic radial design - making trips to and from Madrid relatively easy and others challenging. For example, the express service linking Barcelona and Malaga makes the 1,200-kilometer trip in just under 21 hours. Travel by rail between Catalonia and the Basque region is problematic.

The new plan concentrates on seven major traffic nuclei. By increasing the average train speed to ciency generally, RENFE plans to cut 30 percent to 40 percent off travel times and double the number of weekly services along heavily traveled

An estimated total of 80 percent of Spain's An estimated total of ou percent or opant's commercial surface transport moves on the nation's roads, which remain backward by EEC standards. Less than 1.5 percent are superhighways and an ambitious building program has been frozen by the Ministry of Public Works in order frozen by the Ministry of Public Works in order to concentrate on repairs to existing roads. The \$157 million being spent in 1981 is considered insufficient. Roads are Spain's next big challenge in modernizing its transportation network.

Mark Williams, an American, is a free-lance journalist based in Malaga.

## Debate Over NATO Entry Is Heating Up

(Continued from Page 7S) at an undisclosed date to discuss, among other things, the status of Gibraltar.

At the latest, the government hopes to be ready in December

hopes to be ready in December when NATO has indicated it would like to extend the invitation. help from either the Catalans or the Centrist Basque National Party (both of whom are likely to either

enough seats to carry the vote at the close of this week's debate in Congress. But combined with the almost certain 9 rightist votes and

Area ..... 504,879 square kilometers Population (1979)......37.073 million Exports (1979) ...... US\$18.2 billion Imports (1979) ..... US\$25.4 billion

win a simple majority. Then it will take about three weeks in commit-tee to come to the floor of the lesspowerful Senate, where the UCD has a majority.
Polls indicate that national elec-

tions, which will have to be called by 1983, could sweep the Socialists to power, putting Mr. Gonzalez in the position of his Greek countripart, newly elected Premier Andreas Papandreon. Mr. Gonzalez. who has been watching the new Greek government with great interest, said, "If Spain can enter NATO by a simple majority, it can leave by a simple majority." More recently in a congressional debate. he said that if he became premier he would hold a referendum on the

--- MARK J. KURLANSKY

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# Industrial Restructuring Vital but Painful

DURING the next five years, Spain is to push through a vital — and inevitably painful — program of industrial restructur-

It will affect 7,500 companies employing more than 600,000 workers, and the cost has been estimated at \$5.7 billion. The sectors affected include shipbuilding, iteel, textiles, footwear and paper. Considerable controversy surrounds the program, due to be debated this fall in the Spanish parliament, but the government insists there is no alternative.

Spanish industry's problems date back to the mid-70s when, preoccupied with the political transition, Madrid paid little attention to the recession due to the oil. crisis. While other European countries were already adjusting to fall-ing demand, some Spanish industries optimistically pushed ahead with expansion projects, Bulk steel was the most notable example. A 1974 plan predicted steel con-sumption of 20 million tons by 1982, but this year's figure is likely to be closer to 8 million.

#### Deeper Into Debt

Saddled with overblown production capacity, many industries have fallen deeper and deeper into debt. Whatever chances they have of recovery have been crushed by the heavy burden of servicing these Steelworkers have agreed to debts. Many have lacked the wage increases of 9 percent this

bills soared. Looming in the near future is entry to the European Economic Community, where Spanish industry, accustomed to protection against outside competition, will face a severe challenge.

#### Sector by Sector

Instead of trying to rescue individual firms, the government has decided to tackle the problem sector by sector. The aim is to clean up industry's finances, boost productivity and generally prepare it to meet competition on the open market. The operation will be delicate and some blood is sure to be drawn. Although the Ministry of Industry wants to keep companies affoat if possible and to maintain jobs (13 percent of the work force is already unemployed), rational-ization will take its toll. About 70,000 workers will have to be pensioned off or relocated.

Businessmen are concerned that the trade unions will use the rescue program to assume powers, usually prerogative of management, while the unions argue that since large amounts of public funds are involved, they have the right to a say in their use. Worker cooperation is clearly necessary if the plan is to have any chance of success. Steelworkers have agreed to

and redundancy will shave 5,800 from the integrated steel industry's 44,000 employees.

#### The First Step

The first step in overhauling the big three, Altos Hornos de Vizcaya (27 percent owned by U.S. Steel and the rest by major banks), and state-owned Ensidesa and Altos Hornos del Mesiterraneo, requires recasting their finances. Debts of \$1.6 billion are being renegotiated and low-interest credits arranged.

The trade unions fiercely oppose the proposal to slash by 5,000 the big shipbuilders' work force of 31,000 and to close some yards. After a colossal boom in the early 1970s, Spanish shipbuilding slumped badly but now orders are picking up.

#### Trouble in Textiles

Textile manufacturers, employing 420,000, are in trouble because of competition from Third World countries, dated technology, high financial costs and over-fragmentation. A 10 percent cut in the work force, the introduction of an extra shift, and investment in new machinery are among the proposals for this sector. The footwear in-dustry, with 50,000 workers spread over 1,400 companies, is also

increase productivity by 40 percent within three years, according to management. The manufacturers want a \$200 million injection of cash to put the sector on a sound

Apart from these changes, the state holding company INI (Insti-tuto Nacional de Industria) is attempting to bring more efficiency and sound management to the companies it controls, involving everything from coal mining to making ball bearings. Often forced to take over lame-duck enterprises, INI is giving more attention these days to energy resources and mod-ern high technology industries.

#### \$225-Million Loss

It controls Spain's national automobile company, Seat, for which it has been trying to find a foreign partner following Fiat's decision last year to give up its interest. Seat produced 297,000 cars last

year, but lost \$225 million, partly because of heavy financial burdens. In a new strategic plan, 7,000 employees will be shed from the 32,000 work force and an emphasis will be placed on developing its own technology.

in the ultra-competitive 1980s Seat needs a multinational partner to guarantee large-scale production and international outlets. The likely candidate is Toyota.

-DAVID BAIRD

## International Currents Attract Spanish Artists

IN SPANISH painting, as in American, there was a phenomenon called the generation of the '50s — artists who reached maturity and created their own thriving school of art during that decade. As in New York, they were abstractionists.

These painters were isolated by the political situation in Snain at the time. "The civil war broke off everything," said Pablo Lopez de Osaba, director of the Museum of Abstract Art in Cuenca. "The artists worked almost in a vacuum."

It was a total vacuum. Jose Guerrero, for example, went to New York in 1949 and his work showed the influence of the close personal contact he had with artists such as Mark Rothko. But abstract art, as one of the few tolerated vehicles of political protest, had a special function in Spain. With the tradition of painters such as Picasso. Gris and Miro behind them, Spaniards began developing their own anti-state abstract art groups, first in Barcelona in 1948, then the El Paso group in Madrid.

There were also independent abstractionists such as Guerrero. Gustavo Torner and Fernando Zobel. It was primarily from these

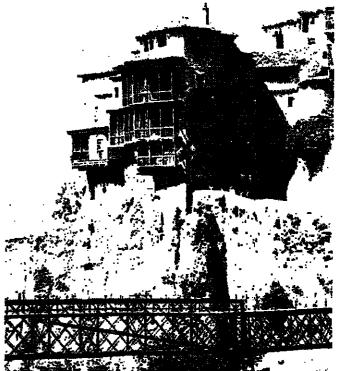
independent abstractionists that the Cuenca Museum grew.

The abstractionists were allowed. "Franco did not really repress painters like writers." said Fernando Zobel. "We were used by Franco to say, 'See, it's allowed.' Of course, that was as long as you followed certain rules - didn't talk politics."

But abstract art was also ignored. Today, the Foundation Juan March, which owns the Cuenca Museum, is taking shows to people in the Spanish provinces and they are seeing abstract art for the first

"At the time [the 1950s] no one was paying any attention to us," recalls Mr. Zobel. "The only people collecting the paintings were the painters themselves." The only collections were those of the painters painters themserves. The only considerable collection by trading like Mr. Zobel, who has amassed a considerable collection by trading with his friends. Eventually a group of these painters decided to look for a way to show the public their work. The town of Cuenca offered them a "hanging house" (so called because the 15th-century buildings are cantilevered on the edge of a 90-degree drop in a rocky gorge

The painters wanted to make it an artist's museum. They spent three years adapting the interior — the last year of which was spent on hanging paintings. "We tried to hang them the way artists like it," said Mr. Zobel. The result is one of the world's most perfect museums. The interior architecture, designed by painter Gustavo Torner, a native of Cuenca, combines the elements of the 15th-century wooden-beamed house with the sense of clean line and space needed to



The Museum of Abstract Art at Cuenca.

display abstract art. Around every corner is a visual impact, includ-

ing windows revealing the rugged beauty of the countryside.

Today, many of the original artists, such as Torner, Zobel, Gerardo Rueda and Antonio Saura, live at least part of the year in Cuenca. The museum's collection has tripled and includes some newer abstractionists. But today's Spanish art has left the Franco era.

"The young now have books and masters and the possibility to see a Rothko," said Mr. Lopez de Osaba, "All the young know what they are doing in Los Angeles and Tokyo." The result is that there is no longer a distinctly Spanish school, "The younger crowd could be almost anything," said Mr.Zobel, "They don't necessarily look Spanish. They look international. All of Europe is doing more or less the

"To the generation of the '50s, art was an opposition to order," he said. "Now the bottom is falling out of that." Spanish abstract art has rejoined Europe. -MARK J. KURLANSKY

# -Feb. 23 Coup Attempt Leaves Nation With Trauma, Unanswered Questions

THE QUESTION that haunted Gonzalez, said, "The question is Spain for years — "After not who will win the next electrons, but if there will be electrons," — seemed tions, but if there will be electrons "President of the Basque perversely answered last Feb. 23. when a pistol-waving Civil Guard named Antonio Tejero and 280 companions held the Spanish parliament hostage and ermy tanks rolled through the streets of Valen-

> A brief euphoria when the coup crumbled and pride in the king's heroic posture gave way to embarrassment at its comic opera aspects, the boldest golpe de estado since Gen. Pavia rode his horse up the steps of the Cortes (parliament) building in 1874. When reality sank in, it became clear that the coup was no mere crackpot stunt, but a serious attempt at armed rebellion which stretched high into the feared Spanish military establishment. Panic gripped Spain's politicians, most of whom had felt first-hand the brutal alternative to parliamentary debate.

till little

174

tions." President of the Basque government, Carlos Garaicoetxea, said, "February 23 defined the ground we walk on, the political realities of Spain."

#### Warning by King

Hours after the aborted coup, the king met political leaders and warned, "I invite all to reflect and reconsider postures that might lead to greater unity in Spain and more agreement among the Span-ish people." In 24 hours, the coun-try had changed. La politica de concertation (consensus politics)

Actually, the idea was not new. Burying party dogma for the common good had produced the Mon-cloa Pact in 1977 and approval of the new Spanish Constitution a later. The first step was the confirmation of Premier Leopoldo Calvo Sotelo, a respected adminis-

Union Party (UCD), who promised compromise. Transition, he said, was finished. It was time for consolidation of democracy. The opposition agreed.

#### Decisive Issues

The government and opposition parties were clearly frightened by Feb. 23 and proceeded as though walking through a mine field. The three most decisive issues in Spain — terrorism, unemployment and regional autonomy — were tackled. The army was sent to patrol the French border and new anti-terrorist measures adopted. A generous labor accord has defused strike threats for the moment and the autonomous process was "harmonized" in a bipartisan pact. Consensus was in bloom.

Other major bills were forced through the Cortes. A law in "defense of the Constitution" defined states of alarm, siege and emergency, during which civil rights con-The Socialist leader, Felipe trator from the strife-torn Center cerning search and detention and

freedom of the press could be re-voked. The status of the Spanish flag, Castillan language and the terms nation and nationality were clarified and restricted. Four communists were expelled from the Party for insulting the national

If the plotters of Feb. 23 failed to set up their government of nato set up their government of the tional salvarion, some argued that a "de facto coup" had taken place, and worried that Spain's democratic institutions might become mere window-dressing for a gov-ernment ruling from behind closed doors. Lenient treatment and the release of many accused conspirators fed fears that the government had capitulated. The mustachioed Col. Tejero, fast becoming a rightwing folk hero, relaxed, welcomed admirers and began writing his

Part of Spain's post-coup hangover involves the "golpe syn-drome," a sinking suspicion that one false step might lead to another putsch. This collective paranoia was fueled by the spectacular assault on a Barcelona bank in May, when mysterious hoodlums demanded the release of Col.Tejero and others and were linked with another plan to bomb the Armed Forces Day Parade. A harebrained plot uncovered on June 23 involved a plan to kidnap the king at the Oriete Palace and force him

to abdicate or flee.

Among the four military and eight civilians arrested and later released was National Police Commander Ricardo Saenz de Ynestrillas, co-plotter with Tejero in the bungled 1978 coup "Operation Galaxy." As late as Aug. 27, Portuguese intelligence services warned Madrid of an imminent putsch, which proved a false alarm. Coup predicting has be-come a popular diversion in Spain.

With the trial of the Feb. 23 conspirators still months away, questions are still unanswered. Did prior knowledge

prompt Adolfo Suarez to resign with hopes of defusing the coup? He denies he was tipped off. Did Spanish intelligence services fail to detect the plot or merely forget to report it? Some high-ranking offi-cers stand accused. What was the confusing role played by Gen. Alfonso Armada, deputy chief of staff and long-time royal confi-dant? During pre-trial testimony, he tried to implicate everyone from the Socialist Party to the king. How many of Spain's regional commanders were ripe for revolt on Feb. 23? Tough-talking Jaime

Milans del Bosch said all but two. Most interesting are the coup's civilian roots. Many believe that a vast network of rightist extremists planned and financed the coup, with army officers playing a sup-porting role and Col. Tejero the ultimate fall-guy. Suspicion centers on Antonio Giron de Velasco, 69, former minister of labor under Franco and head of the National Confederation of War Veterans, whose spokesman, the newspaper

apologist for the golpistas. Mr. Giron, long fond of issuing apocalyptic manifestos, has been accused by the Spanish magazine Cambio 16 of being godfather of the more than 100 civilians, including several former ministers, supdly involved. He has not been officially charged.

PSOE Deputy Guillermo Galeote said, The coups were or-ganized by the extreme right and not the army, and as long as the government does not deactivate them we will live in a state of permanent golpe.

#### The Trial

All but one of the 33 accused of military rebellion are members of the armed forces or civil guard and the prosecutor is asking for sentences of six to 30 years. The military tribunal handling the case has already heard over 6,000 pages of statements, but the actual trial is not expected to commence until early next year. Some are eager to

see justice, but others fear new and umpleasant revelations about the depths of coups sympathy. Col. Tejero has named Gen. Jose Juste. first seen as an anti-coup hero, of co-conspiracy and he has been temporarily removed from his post. Some old-guard generals are being nudged into reserve status.

No one is sure which is more dangerous — to encourage another coup by failing to punish the plotters or to anger the army by arresting and trying everyone suspected in involvement. The upcoming court martial looms as the supreme test of the young Spanish

democracy. Meanwhile, the rule by consensus born in the shadow of February 23 seems unstable, as the UCD and PSOE lock horns over Spain's NATO entry and debate the toxic food-oil scandal. But the political factions should close ranks for the upcoming trial. Widespread solidarity might make another coup attempt an unthinkable risk. — MARK WILLIAMS



Guernica, Picasso @ SCIAE SPADEM Paris 1981

# Now you can see it in Spain.

It is there in Madrid, on permanent exhibition in the "Casón del Buen Retiro", which is part of the Prado Museum. After many years in New York, Picasso's "Guernica" is home again. It flew in a Jumbo belonging to Iberia, the International

Airline of Spain. Iberia will fly you to Spain to see the Guernica, and to enjoy the Picasso retrospective exhibition in Madrid from November 5

to December 27, or in Barcelona from January 11 to February 28, 1982.

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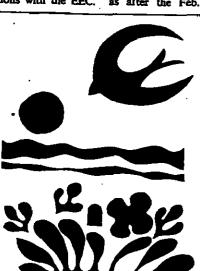
# Most of Nation Supports Joining the Common Market

A MONG the staggering array of major decisions that are are facing Spain in the post-Franco push toward a modern European state, the one that has met with the most unanimity is entry into the Common Market. Political parties from left to right support entry, as do the labor unions, industrialists, businessmen, farmers and merchants

Spanish EEC relations go back to a 1962 pact with Franco, "It (EEC entry) was extremely desirable during the Franco era because we knew it was impossible," said Raimondo Bassols, Secretary of State for relations with the EEC.

After the establishment of the constitutional monarchy, entry be-came theoretically possible and the government was convinced that it was economically as well as politi-cally desirable. The EEC as a group is Spain's largest trading partner, representing half of the country's exports and more than a third of its exports.

Politically, the EEC has been ea-ger to welcome Spain and even promises to speed up the process at politically rocky moments such as after the Feb. 23 attempted



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'Spain is beginning to be dissatisfied by the way Europe is considering us. We need a very big yes."

coup d'etat and before the debate on NATO entry. the EEC budget. CAP spending would rise enormously with the en-try of Spain. The Common Market not economically prepared to take on a nation that would increase its total population by one-third and its farm land by almost that much.

"If we could begin speaking about agriculture," said Mr. Bas-sols, "I'm sure we could finish negotiating in a year." But the EEC has been unwilling to negotiate on this subject and even though there has been talk this fall of "deblocking" negotiations, French Agricultural Minister, Edith Cresson, has made it clear that this subject will remain a major obstacle

The EEC is exhausting its cash supply, which comes about half from value added taxes (VAT) and the rest from external duties and agricultural levies. To raise more money would involve a long and difficult ammendment procedure on the Rome treaty. The other solution is to spend less. The entry of Spain, like the January entry of Greece, would mean spending

The Common Agricultural Policy (CAP) alone, a complicated sys-tem of subsidies and price supports, devours three-quarters of

before, but presumably member-ship would entitle Spain to more and not less. This is another item that Brussels has so far refused to

Mr. Bassols claims that Europe "has an enormous responsibility to help us" become a European democracy. If the EEC does not take Spain, Mr. Bassols said, "The country would think it was for very small and egoistic reasons."

Obviously, all sides are looking

after their own interests. While Spanish farmers want entry as soon as possible, the EEC wants a delay. But they would welcome Spanish industry from the moment spanish industry from the moment of entry as a full partner. Spanish industrialists, fearing tariff-free products from the North (especial-ly threatening to small business), want a transition period of from

Full Benefits

On the other side, the Spanish government wants their workers to enter immediately with the full benefits of the EEC workers. The EEC wants a seven-year delay similar to the agreement with Greece. Brussels also wants Spain to commit itself immediately by replacing its existing protectionist taxing system with a VAT system.

In the meantime, Spanish businessmen are losing enthusiasm. Most government officials, including Mr. Bassols, agree that EEC entry is losing popular support. "Spain is beginning to be dissatis-fied by the way Europe is considering us. We need a very big yes."

-- MARK J. KURLANSKY

# Banking: A Period of Change

DRAMATIC changes are taking place in Spanish banking as the system is liberalized to conform with practice elsewhere in Europe. Altogether, counting industrial, regional and local en-terprises, Spain has 130 domestic banks but this number will probably be sharply reduced in rationalization programs and through closure of the weaker brethren. More progressive banks have already taken steps to modernize and streamline their methods. Others, however, have encountered liquidity problems, often through becoming too deeply involved in industries which have been hard hit by recession, and their future is uncer-

Some could be sold to foreign interests, a trend which has already provoked chilly reactions among the country's Big Seven (the Banco Espanol de Credito, the Banco Central, the Banco de Bilbao, the Banco de Vizcaya, the Banco de Santander, the Banco Popular and the Banco Hispano Americano). In February, Britain's Bar-clays Bank bought the Banco de Valladolid for nearly \$48 million, thus gaining access to 38 branches. In June, the Banque Nationale de Paris took over the Banca Lopez Quesada for close to \$100 million. Both these once-siling Spanish enterprises had been resuscitated by the Corporacion Bancaria, an intensive care unit set up in March, 1978, with funds from private banks and the cantral bank

For Spain's better-managed banks, however, the picture is far from bleak. Last year, total profits for commercial banks soared 12 percent to \$900 million while savings banks registered a 21 percent rise to \$460 million. The greatest challenge spices for the savings banks registered a 21 percent rise to \$460 million. The greatest challenge spices for the savings banks registered as 21 percent to \$460 million. nge arises from government determination to

liberalize the system.

Important changes came early this year when interest rates on all loans were freed apart from the proportion of banks' funds devoted to the so-called "privileged circuits." In the past, banks had to make considerable proportions of their funds

available for artificial low interest loans to emerging industries. The privileged circuit loans now bear higher interest rates.

Interest Rates

Interest rates have also been freed on deposits of six months and over for sums of more than \$10,000. Previously they were free only from one year and above. Maximum commissions charged by banks are now controlled. Previously they had been left to individual banks to fix and were a

The changes require profound adjustments in a business where methods are often antiquated and

many branches. In the past banks operated with sufficient margins to offer many services free.
That is changing. The first step came in September, when the telephone and electricity companies were told they would have to pay for the handling

Leading banks have accepted that they must tell the public more about their operations if con-fidence is to be maintained. The Banco Hispano Americano has been brushing up its image by changing its logotype and placing more emphasis on public relations. Computers are taking over on public relations. Computers are taking over many rounce tasks, which may speed up the sometimes painfully slow processing of checks. Spain still only uses 500 million checks a year, compared to 3,000 million in Britain, but credit cards show fast growth. The arrival of foreign banks is spurring the changes in attitudes and methods of Spanish Banking.

Until early 1979, domestic banks were shielded from foreign competition but since the barrier was raised, the number of non-Spanish banks has risen to 27. Allowed in under strict conditions only three branches allowed — the newcomen have helped bring more flexibility to the money markets. To obtain access to a retail market, the foreign entities have successfully introduced hills of exchange on the stock market. But bankers complain that a tax on business transactions, inposed on their borrowings and then again on loans to clients, remains an important obstacle to creating an orderly interbank market.

Loans to Subsidiaries

Foreigners have tended to concentrate their activities on arranging loans to multinational sub-sidiaries, to large Spanish enterprises and on participating in syndicated credits. Since we opened in June, 1979, the volume of business has far exceeded expectations, said Richard W. May, vice president of the Chase Manhattan Bank, which has just opened a new branch in Barcelong. He put down this success to the amount of liquidity. available in the banking system due to a slow-down in industrial activity. Foreign banks had been able to use these funds and carve out a share of the market. In addition, the Banco de Espana's liberalizing campaign had assured a reliable inter-

Relations with Spanish colleagues were not a problem, said Mr.May. "Some Spanish banks might have felt that we were intruding on their game preserve for some easy poaching but today I believe there's a feeling of mutual esteem for each other's potential.

# Despite Strides for Energy Self-Sufficiency, Oil Bill Remains Huge

IN JULY, 1979, the Spanish par-liament approved a program called the National Energy Plan (PEN) that was aimed at reducing the country's energy import bill by developing alternatives in foreign oil. Two years later, PEN's report to parliament points to some successes but oil import spending has increased and still plays a major role in Spain's negative balance of

The most important energy alternatives envisaged by PEN are coal and nuclear power. The increase in coal powered energy, in-

cluding three new plants and thirteen planned or under construction, represents most of the gains made against oil based energy (which still supplies two-thirds of the total primary energy). Coalbased energy production is ahead of PEN projections. The 1985 goal of 16.2 percent of the energy total had been ugraded to 22.6 percent and that is already within striking

would be forced to add to its large

and costly surpluses of products

such as wine and sugar beets. Spain produces, by itself, almost as much olive oil as the Ten com-

bined. Entry would also flood the

vegetable and citrus fruit markets. Not only do these surpluses

Not only do these surpluses mean nonexistent money out of the EEC budget but unwanted competition with cheaper Spanish produce, particularly for France and Italy. France already has a trade deficit with Spain (although it has been more than halved in the part week). While Expansion

past year). While France and the United Kingdom are still bristling from their lamb and apple wars,

the Spanish are waiting in the wings with abundant productions

Fishing Agreement

bitterly fighting over fish quotas for themselves. Spain, with a larger

fishing fleet than any of them, al

ready takes more fish from EEC

waters than it could offer in native fishing grounds. The EEC has

been renegotiating their fishing

agreement with Spain every year with a lower quota than the one

EEC members have also been

of both products.

produce 10.9 percent of their enerby 1985 instead of the original 2 percent objective. They expect this percentage to reach 16 percent by 1990.

Meanwhile, the government is projecting that nuclear energy will represent three percent of this year's production which is only one percentage point better than two years ago. Last year's produc-tion dropped because the 469-megawatts General Electric reacat Santa Maria de Garona (Burgos) was closed for five months due to a metalurgical de-

Spanish nuclear power began in 1968 with the 160-MW Westinghouse reactor at Zorita (Guadala-jara). There are currently four nuclear plants in operation, nine Basque provinces where ecologists more under construction and two others in the planning stage.

The nuclear program is behind schedule for two reasons. The first and most important is that the complexity of the technology was underestimated by optimistic planners. The other reason, which may grow in importance as the program expands, is popular resistence.

None of the national political parties oppose nuclear energy. The Socialists claim to prefer a more moderate program. While the ecology movement is not strong, it has in some regions become connected with popular autonomy, leftist and agrarian movements. This is par-ticularly true in Catalonia and the

sometimes complain that they cannot keep the protest focused on en-

Since the beginning of construction, the Lemoniz plants (Viscaya) have experienced several setbacks from various forms of sabotage and both plant employees and a demonstrator have been killed. There has also been sabotage and local demonstrations against the Asco plant in Catalonia and ecologists are claiming increasing sup-port from local mayors in Ex-

tremedura and other regions. Asked if it would not be better to avoid construction in areas where the population is opposed, Luis Magana, Commissioner of Energy and Mineral Resources for

the Ministry of Industry and Energy, replied, "To consider the problem form a local point of viewing." mistake." He said that it was "of-side of reality." Reality from the energy planning point of view is that energy intensive industry, particularly in the Basque provinces. is draining energy from other parts of the country.

Despite poor production, the nuclear program in playing a growing role in the Spanish economy. The energy plan currently represents 2.8 percent of the GNP. and is growing annually. PEN estimates that it has created 140,000permanent jobs. Nuclear energy, which this year will have a turn-

(Continued on Page 11S)



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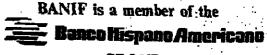
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GROUP

# 'Audit Fever' Is Widespread as New Legislation Looms

TN FRANCO'S SPAIN, tax eva-■ sion was widespread (and connived at) and financial scandals were rarely subjected to the searing glare of public scrutiny. Things don't work like that in a democracy - even in a young and fragile one like Spain's — and the media have given a lot of publicity in recent months to the lack of financial control in the state-owned television company and the state-

sponsored football federations. Even the recent tragic scandal in the food oil industry has, in its way, highlighted the absence of necessary checks and controls in the country's administrative infrastructure. The concept of public accountability of management has grown up almost overnight, giving rise to what one magazine de-scribed as "audit fever." Public awareness will be further increased with Spain's entry into the European Economic Community, which will bring with it the obligation to introduce a panoply of financial

#### No Legal Status

The word auditoria is pretty much synonymous with the international accounting firms (often referred to as "the Big 8"), all of which are represented in Spain. The Big 8, most of which moved in on the back of foreign investment following Franco's liberalization of the economy in 1959, probably now employ upward of 1,000 pro-fessionals in Spain. In most cases, they are still largely dependent on the multinationals for their bread and butter, but to an increasing ex-

tent they are penetrating the local and already several audit compa-

market.
Their reports, however, have no legal status in Spain and, while some quoted companies are now including a Big 8 auditor's certificate in their annual report, it is usually published alongside that of the Censor Jurado de Cuentas (official statutory auditor) and that of the shareholders' auditor. This is clearly an anomalous situation and a temporary one.

The shareholders' auditors are elected under the requirements of company law from the shareholders and need not be professionaly qualified. The first tentative approach to an independent scrutiny of accounts originally introduced by the 1951 Companies Act has been almost totally ineffective.

The Spanish accounting profes-on was incorporated in 1942 as the Instituto de Censores Jurados de Cuentas de Espana. The principal function of the censor has been to report on the accounts of quoted companies under the rules of the stock exchange. However, in the absence of an effective watchdog like the SEC, even this requirement has frequently not been com-

#### plied with. Can't Join Forces

Moreover, until recently, the code of ethics of the censor prohibited him from forming partnerships with other censores and thus Spanish professionals have been unable to join forces to meet the challenge of the international firms. However, new statutes of the Institute have been introduced that do permit such associations

with Ecuador, Chile, Columbia,

prodction of 0.5 percent of Spansh energy by 1985 and 1.5 percent by 1990. The government contends that solar heating panels are al-ready competitively priced. It is also experimenting with industrial uses for solar power and in a joint project with West Germany, a 20-

nies have been established by its

world.

The Spanish Institute has about 3,000 members with about 200 engaged in auditing as a full-time profession, a figure eclipsed by the 1,000 professionals employed by the Big 8. Furthermore, many of the 200 are now employees or partners of the Big 8 firms.

A year ago, the draft of a new company law that proposes to introduce a mandatory audit requirement for all sociedades anonimas corporations became known. It is estimated that if the bill is passed in its present form, the Spanish economy would require about 15,000 full-time audit professionals. Moreover, this new company law does not include the requirements of the EEC's Fourth Directive, and, therefore, will probably require amendment as soon as it reaches the statute books.

#### GAAS and GAAP

As a partner of one Big 8 firm said, "The cake will be large enough for everyone." A valid question might well be: "But is the profession able to digest it?"

GAAS and GAAP are two beloved acronyms understood by the accounting community worldwide. They stand, respectively, for Generally Accepted Auditing Standards (codifying the procedures and standards an accountant must ap-ply when auditing accounts) and nerally Accepted Accounting Principles (the framework against which the auditor must evaluate and judge the accounts). GAAS and GAAP are concepts developed in the United States and that have been exported, with varying degrees of success, to Spain.

The Big 8 firms, not recognized and therefore not controlled by the Spanish profession, have sought to apply the same auditing standards in Spain as in the United States. Auditing standards for general application in Spain comparable with those of the AICPA (American Institute of Corporate Public Accountants) have not been published by the Spanish Institute, although it has published guidelines that are similar to the U.S. audit requirements. In the future, as the Institute grows, it must be assumed that it will observe standards comparable with those in the

Accounting and bookkeeping are regulated in a formalistic way. imposing such requirements as the authentication of the accounting records by a judge for their validi-ty. The total void existing with re-- MARK J. KURLANSKY gard to accounting principles and policies was invaded by the tax au-

United States.

provide exciting times both for the thorities, who laid down rigid and prescriptive accounting regula-tions, which often conflict with acfiscal authorities and the account-INE procession counting practices elsewhere in the

The introduction of the company-law harmonization program in These tax regulations have since been amplified and confirmed by the EEC is causing something of a silent revolution throughout all the the Plan General de Contabilidad, a accounting fraternities. Spain's enmandatory code of accounts try into the community means that modeled on a French plan. By way it will have to comply with the Directives on Company Law that of example, a company is in effect prohibited from accounting for unhave been issued by the EEC. The realized losses on exchange on its most significant of these directives is the fourth, which sets out forannual report. In a weak-currency country such as Spain, this can mats for and requires mandatory give rise to serious misstatements audits of company accounts that EEC members are bound to impleof financial position as well as to the payment of tax on a unrealistic ment by February, 1982. profits figure.

While much has to be done in

the area of formulating accounting principles and achieving the con-

sensus necessary for them to be-

come generally accepted, much is

being done in the area by the Insti-

tute itself and by private enterpris-

es such as the Asociacion Espanola de Contabilidad (AECA). Once the

consensus is achieved, it will be the

job of the auditing profession to

Admission to EEC

change and ferment, another ma-

jor but largely unexplored factor is Spain's future admission to the

EEC, which now seems almost cer-

Admission to the EEC will mean

a welter of change in the whole area of fiscal, accounting and com-

pany legislation. A draft law intro-

ducing value added tax (VAT) from 1982 is shortly to be laid be-

fore the parliament, superseding

the old turnover tax. Given the

fairly basic level of accounting in

many small and medium-sized

Spanish business, the introduction

of VAT, with its sophisticated ac-

counting requirements, is sure to

Against its background of

ensure its fair application.

The Seventh Directive will require the preparation of group accounts by any Spanish company that is a member of the group. A recent survey conducted by one of the Big 8 firms found that very few major Spanish companies prepared consolidated accounts. though some are beginning to do so. At present, Spain has no mandatory requirements for a group to publish consolidated financial statements

The advent of the EEC, apart from its enormous economic impact, will, because of the mandatory audit requirements, place new burdens on the legislator, auditor and, above all, the business community as a whole.

Thus, the audit fever of the last 18 months has probably created expectations in excess of the Spanish profession's present ability to meet them. No profession or professional firm should expand at a rate that imperils the quality of its services. The rule is "hasten slow-

lan Angus is a partner in the Madrid office of the accounting firm Ernst & Whinney.

# Home Rule Ends a Tradition

JUST MINUTES before a self-imposed mid-night deadline on Friday, July 31, weary negotiators emerged from President Leopoldo Calvo Sotelo's smoky Moncloa office. While skeptics fear a shady deal, most are relieved. After four months of intensive talks, Spain's two major political parties — the government Center (UCD) and Socialist Workers Party (PSOE) - have signed an accord sorting out the nation's most intractable problem, regional home rule.

The PSOE leader. Felipe Gonzalez, said at the time. "We are not applying the brakes, but putting the autonomy process in its proper historical rhythm."President Calvo Sotelo said. "It is a decisive step in the transition of the Spanish govern-

Spanish home rule puts an end to nearly three centuries of centralist tradition and lays the framework for a federal system by partially dismantling Madrid's unwieldy bureaucratic ma-chine. Months before the pact, both sides agreed that autonomy had lost direction and leaders hoped to make clear where and how far the process was going. No one was forgetting that a major objective for the February golpistas was to halt "the dismemberment of Spain."

The July pact, which will become law as LOA-PA, was based on two technical studies hammered out by legal experts. The Enterria Reports' overriding concerns were to clearly define the powers and responsibilities of the central government and regions and establish the economic base through which the transfer of power can take place.

#### Autonomous Units

The political and administrative map of Spain has been redrawn to include 16 autonomous units, which will eventually assume roughly half the government's administrative chores and budget. The accord sets a deadline of February, 1983, for all regions to enter the autonomous framework, though the actual transfer of powers will go on for years. The pact also set up a clearing fund to help reduce economic differences between the regions (the average income in Catalonia, for example, is more than double the income in Galicia).

According to the Office of Diplomatic Information, this will "prevent regional autonomy from becoming a sort of labyrinth in which the richer regions might draw ahead of the poorer ones, creating a dangerous race to achieve ever greater selfgovernment." Clearly, many believed that home rule was de-

veloping into a kind of administrative Frankenstein's monster. Martin Villa, minister of territorial administration, said, "The previous course was irregular, illogical and filled with uncertainties." The accord emphasizes the unity of the Spanish

market, with no restrictions on free movement of

capital and labor, thus allaying businessmen's fears that Spain might revert to "economic feudalism." Purely regional concerns like tourism, agriculture and internal transport are distinguished from those involving administrative decentralization of national policy in commercial legislation, customs, banking and energy planning.

Though still in the process of receiving full powers. Catalonia and the Basque country have had home rule for two years, and on Oct. 20. Galicia elected its regional parliament and Andalucia approved its own statute. With these four regions launched, the two major parties decided to depoliticize the issue at a time when popular enthusiasm was waning. By granting autonomy to everyone, including regions where little home rule sentiment existed, those areas with strong and potentially dangerous separatist tendencies find themselves sharing their "special status." "Wine with too much water." said one critic.

The pact also put a ceiling on the content and implications of the statutes, clearly defining how far home rule can go. This disappoints those who saw the statutes as points of departure for everincreasing rights. The door is also left open for more municipal and provincial powers at the expense of the regions.

From the outset, representatives of the Catalan and Basque governments have looked warily at the pact and LOAPA, despite repeated government assurances that it does not affect existing statutes. The Catalan minority leader, Miguel Roca, said. "It could be a dangerous instrument — Catalonia comes out losing." The accusations from Catalonia and the Basques have heated up

Accusations of foot-dragging in Madrid seem unfounded. Nearly 100,000 government employees and \$1.9 billion have been transferred in the last two years, mostly to Catalonia. In May, 14 new areas of responsibility were handed over to the Basque region, which has also won the right to collect its own taxes.

Throughout modern Spanish history, transitions to greater liberty and democracy have been accompanied by home rule demands, and the heady post-Franco era was no exception. The new autonomy statutes already grant more power than those of the Second Republic.

During the first months of new Spanish democracy, political pressures for regional autonomy were enormous, and many believe the process

"The time for politics is over - now it's time for logic," said President Calvo Sotelo. For some, part of the logic is recalling that every Spanish miliary officer swears an oath "to pre-

serve the unity of Spain."

- MARK WILLIAMS

# Oil Bill Remains Huge

(Continued from Page 10S) over of about \$1.65 billion. is a major part of this economic activi-

ty. PEN estimates nuclear energy will generate one-third of the capi-

tal turnover in energy in the next four years. Current Planning The share of Spanish participation in the first nuclear plants was only about half but according to Mr. Magana, it could go as high as 87 percent in the plants currently being planned. Although Spain lacks the high technology to construct a nuclear plant totally, the

oping. The Junto Nacional Nucle-

ar already has established relations

Argentina and Mexico. There is inwith Portugal

government is hoping to export the intermediary technology that Spanish industry has been devel-

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terest in a possible arrangement While the Spanish government believes that the nuclear plan is es-sential it is also exploring a full range of alternatives, including so-

lar power. The PEN calls for solar megawatt solar-powered hot-air turbine is being tested in Ex-



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# 'Arms and the Man' Pairs Remarkable Shavian Duo

By Sheridan Morley

onal Herald Tribune ONDON - Popular belief has it that "My Fair Lady" is the only major musical to have been derived from a Shaw play, and popular belief is of course mistaken; Richard Rodgers did a musical "Androcles," and within 15 years of the 1894 premiere of "Arms and the Man" Oscar Straus had turned it into "The Chocolate Soldier." That hasn't been seen in London since 1940 but now, at the Lyric, there is a chance to see the Shavian original in its first West End revival since the 1944 production by the Old Vic with Lawrence Olivier as Sergius and Ralph Richardson

Curiously this one comes not from either of the major subsidized companies, who are inclined to like their Shaw longer and heavier, but from Eddie Kulukundis, who has been operating a one-man royal Shavian company for several years, buying up stage rights with all the fervor once exhibited on screen by Gabriel Pascal, Accordingly we have a solid commercial company led by Richard Briers as Bluntschli and Peter Egan as the posturing Sergius, and the result is a sort of caramel-cream show, light

and elegant in taste but not linger-ing long on the palate.

This is anyway the kind of Shaw

to which people should be taken who hate Shaw; it has few of the lengthy diatribes, little of the politics and almost none of the fervor that characterized most of his later and better works. It is at best a kind of divertissement, a light comedy about a couple of soldiers of fortune falling in love with the same ravishing Bulgarian girl.

What distinguishes this production is the remarkable double-act of Briers and Egan, Though they have never to my knowledge worked together before, they look as though they have been at it all their professional lives, complementing and counterbalancing each other like a Ruritanian Laurel and Hardy.

In this pairing Egan is the tall thin one, forever striking operatic and melodramatic poses from which he has to scramble down when the going gets too rough, while Briers is the little chubby one, all practical advice until he too falls suddenly and hopelessly in love with Raina, played in a dazzlingly beautiful West End debut by Alice Krige. Then there are Raina's pragmatic parents, equally splendidly played by Richard

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the result under Jonathan Lynn's agile direction is an infinitely elegant little light comedy about soldierly fantasies and the deflating

of uniform egos.

All the same, I am inclined to wish they had learned to sing and had done "The Chocolate Soldier" instead (the title incidentally derives from Bluntschli's passion for boxes of sweets). For whereas

with "Pygmalion" you felt you were losing a lot of the best argument every time "My Fair Lady" broke off for a song, with "Arms and the Man" you feel that a song or three would help the evening along. It is short (two hours with an intermission, which by Shavian standards makes it practically a curtain-raiser) and apart from a minor Balkan war not a lot happens before everyone lives happily ever after. For all that, it's the kind of show that many believed the West End had abandoned for musicals and farces, and I suspect it will be around for many months to plug precisely that gap in the mar-

When I was a child, in the late 1940s in case you were wondering. London was full of plays like Ellen Dryden's "Harvest" (at the Am-

titles like "Holly and the Ivy" or "Dear Octopus," but the fundamental theme always concerned a black sheep returning to the midst of a family during some kind of calendar celebration, often Christmas or a golden wedding, and opening various childhood cupboards to watch the skeletons pour

This time, the celebration is the harvest festival, the family is heavily Methodist but outside of that not a lot has changed. Lynn Far-leigh is the daughter who, having hauled herself up through university and away from an oppressively genteel and deprived background and then made a rich but unhappy marriage now returns to the parental hearth to find out why her brother has had a nervous breakdown, whether or not the local minister is burying her grandfather properly, and how totally her own life has been conditioned by her childhood and its everlasting mem-

Accordingly we are back in gen-eration gap, with Constance Chapman as the grandmother, Mary Chester as the mother and Sylvestra Le Touzel as the young niece representing the three gen of the upright, clinging and oddly unlikable family. The only outsider allowed on stage is the minister, played in a wonderful state of mused reticence by David Horovitch. Farleigh as the one who has gone over the wall plays Marian much as Glenda Jackson played "Rose" in this same management's previous production, which is to say angrily and very well.

But in the end we have to care deeply about why her brother has loned his mature studentship and in fact we don't; despite the occasional good line ("You get a better class of guilt with Catholics than Methodists") the play gives you the feeling that you have been trapped in a pub with a family desperately rehearsing for "This Is Your Life." It's an untidy, meandering evening in which flashbacks re used only to explain to us that this family's past was no more intriguing than its present; Ellen Dryden doubtless has something to say about the oppressive nature of Methodism in Midlands family life circa 1950 and its effects, but it is not enough to fill out an entire evening. As an hour-long television script it might have been smashing.

Panda Born in China

United Press International PEKING — Scientists working n Sichuan Province reported the birth of a baby panda to 10-year-old Zhen Zhen. The Chinese news agency said scientists at Wolong Panda Conservation Center heard a baby panda crying in Zhen Zhen's lair and tried to approach but were driven away by the mother. The birth occured about a month ago. The scientists observed her mating April 13 and later ob-served she was pregnant.

# Fiendish Pyramid Challenges the Maddening Cube

L up a puzzle vastly more complex and more maddening than Rubik's Cube when he was painting his house.

"If these windows were triangles instead of squares I'd only have to paint three sides." his wife recalls him muttering.

Thus was born Eliot's "Great Pyramid Puzzle," a construction of triangles which could make you a millionaire if it does not drive you to distraction first.

Eliot, 41, hurled \$1,850 out the window into a street near Piccadilly Circus the other day - he is given to such gestures. As kids and housewives and executives battled for the rain of money, he explained his new instrument of torture.

"It's a tetrahedron, a four-sided pyramid," he said. "There are 36 triangular pieces you stick onto it. Each piece has a pattern, and you put on the pieces so the patterns match. A child of 6 could do it."

and exactly one solution.

He said he pit his puzzle against a California computer which solved Rubik's Cube in

Well, maybe. Eliot calculates there are 72,000 trillion trillion possible combinations seven days.
Yet completing the 36-piece pattern is only

the first part of the puzzle. "Each piece has a numerical value," Ebot said. He gives the figure for one piece — 126.

Then "all you have to do is figure out how I arrived at that figure. That enables you to calculate the value of the other 35 pieces. "One face of the completed pattern totals 864 - that's the other clue, so you can check

if your values are correct. Then you write down the value totals of the four faces, and if you get it right first, you're a millionaire."

Eliot means the millionaire bit literally. For every puzzle sold, \$1.85 goes into a bank account held in trust for the first puzzle solver. If 1 million fiendish pyramids are sold — and his U.S. partner talks of potential sales in the millions there alone - the winner will become an instant millionaire.

"It's my contention that there won't be a solution in the first year," Fliot said. No winner will be declared until next September. "It could take longer, even though there's no complicated mathematics involved," Eliot said. "A bright 10-year-old could do the decoding without pen and paper.

knows the answer. One night came the awful thought that an unscrupulous bloke could

profit mightily by knowing that answer. So he insured himself at Lloyd's of London for \$1:85 million against being kidnapped.
The "Great Pyramid Puzzle" sells by mail order in England and is being marketed in

"It's the most difficult game in the world."

#### World's Biggest 'Magic Square'

Japan as well as the United States.

Eliot said immodestly.

LONDERZEEL Belgium — A studious Belgian Air Force conscript with a knack for numbers has made the world's largest "Magic Square" consisting of 59,049 figures that total 7,174,575 when added up in all direc-

Ivo Impens, 19, has laid out his project, measuring 7.29 by 7.29 meters, on a dance floor in this town near Brussels. It consists of 729 sheets of paper (27 by 27), each with 81 numbers (9 by 9), making a total of 243 rows of 243 numbers. If the rows are added up horizontally, vertically or diagonally, the total is always 7,174,575.

#### Personalities

# Starring Carl Reiner in the Carl Reiner Talk Show

By Jeffrey Robinson

AINT-PAUL-DE-VENCE, France — When Carl Reiner walked into the Colombe d'Or hotel here to do his bit on camera, the first thought that ran through his mind was, "Any minute now Yves Montand is going to walk around the corner." It seems to be his first thought every time he comes here.

Reiner was here to tape some segments for the John Donaldson talk show in the United States. A writer, actor, film director, television producer, constant guest on the talk-show circuit, he is all of those things separately and rolled

the age of 17. I'm now 59. I've spent those years inching up on mediocrity." He landed a few roles on Broadway in the late '40s as an actor, dancer and singer.

#### Second Ranana to Caesar

His Broadway experiences landed him a job in 1950 on "Your Show of Shows" with Sid Caesar and Imogene Coca. Reiner was hired as an actor, sort of a second banana, but he found himself sitting in on the writers' meeting too, adding his own shtick whenever he could. At various times the writing staff of that show included people like Neil Simon (later the author of "The Odd Couple" and other stage comedies) and Mel Brooks (with whom Reiner made the best-selling 2,000 Year Old Man". albums). Brooks remains Reiner's oldest and dearest friend. "Mel is a very nourishing person on a one-to-one basis. Otherwise, he's a lunatic. However, you can always call on

him for medical advice. He knows everything about the medical pro-fession. He's one of the world's most wonderfully brilliant hypo-

"Show of Shows" lasted until 1954. Reiner then moved with Sid Caesar to "Caesar's Hour," another live years of being an actor-writer. He followed that with a one year stint as writer and occasional est on the "Dinah Shore Show." Then he created and produced a successful situation comedy called The Dick Van Dyke Show." Not surprisingly, it was the story of a comedy writer of a weekly television show. At about the same time he wrote a book called "Enter Laughing." That was quickly turned into a Broadway play of the same name. "It was a not-too-well read book but its was a very well

By this time, Remer had stuck up a minor friendship with Yves Montand. It dated from the Sid Caesar days when Montand appeared on the show and did a few of those very French ballads with an involved story and a message. The next week, Reiner appeared on the show doing his imitation of Montand. He announced that he was going to sing a beautiful French song entitled Broken Cookies and Red Balloons," which of course he had written. And then he spent the next 10 minutes explaining the story of the song in the Montand

A few years later, Reiner and his wife. Estelle, showed up at the Co-lombe d'Or. He found it so typically French that while they were checking in he turned to Estelle and said, "This is exactly the kind of place where you'd expect to see around the corner." Just as he said it, guess who said, "Hi Carl." Montand was there right on cue. "It was one of those truly incredible coincidences. Estelle thought I had planned it. I stood there with my hands shaking swearing I didn't." So now when he walks into the Colombe d'Or, he looks first around the corner for Montand. Then he tells the story to whomever he's with, then slips into a few choruses of "Broken Cookies

and Red Balloons." When he's not singing, back in



Being Carl Reiner "is a very large responsibility."

California, he direct films. He has just done one that is due out in the spring with the title "Dead Men Don't Wear Plaid." It stars the U.S. television comedian Steve Martin, plus 21 all-time movie stars of yesteryear.

"I guess I should explain that. It's been a secret until now. It really has. No one was even allowed on the set because this is some thing that has never been done be-fore. We collected footage from wonderful old movies and have incorporated it into a black-andwhite 1940s-style detective mys-tery. We built 90 sets, did dozens of costumes and had original 1940ish scores composed. We went all the way. I finished the picture just two days before we came here. Hey, it's just dawned on me. Now that the picture is done, I'm out of

When he is "out of work," he says, he spends time with his family. Estelle is a painter. First son Rob, 34, starred for several years as Archie Bunker's son-in-law in the TV series "All in the Family." Daughter Anne ("just put that she's younger than Rob") is a psychoanalyst turned short story writ-er. And No. 2 son Lucas, 21, has

been working with his father on

Big party, little party, orgy or not, he happens to be one of those unintroduceable people. Even he doesn't know what to put after his

"I panic at income tax time because I'm forced to fill in the blank that says occupation. I put down writer, and then think to myself about the seven or eight films I've directed. So I change it to director: Then I think about the television shows I've done. I'm afraid to list only one thing on my income tax form --- after all it's a legal document that will follow wherever I go

Anything else, such as actor? "Yes, I still act. I always manage, to find a part for myself in my own-films. If I had to pay someone else it would cost me a lot of money. So, I take the role. It's much cheaper that way. In fact, in the last two-films where I acted I actually played Carl Reiner. Believe me, it's the easiest and most logical thing in the world for me to do. Although I have to admit, it is a very large responsibility!"

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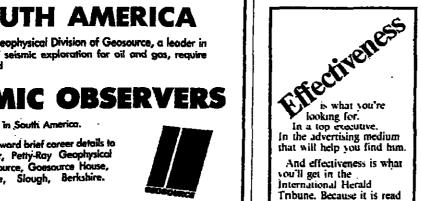
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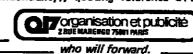
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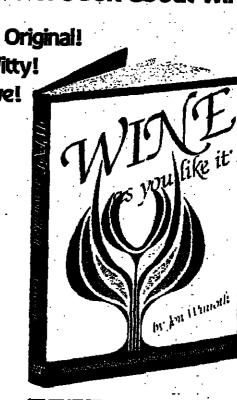
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Page 13 Thursday, October 29, 1981 \*\*

## **BUSINESS NEWS BRIEFS** Bonn Cabinet

## Bank Sources Confirm Reports of AEG Loss

FRANKFURT — Banking sources said Wednesday that press reports hat AEG-Telefunken is expecting a loss of 650 million Deutsche marks his year unless new financial measures and administration of the pressure o his year unless new financial measures are adopted were broadly corect. A spokesman for West Germany's second largest electrical group

would only say the reports' figures are speculation.

The reports showed an AEG plan to cover the loss with 410 million DM of gains from possible new partnership arrangements and 240 mil-tion DM in financial aid from banks. Banking sources said they expected AEG to lose 650 million DM in 1981 and to gain a net 410 million DM rom joint ventures. The AEG group lost 278 million DM in 1980 and 368 million DM in 1979.

In a meeting last week between AEG management and the 25 banks that rescued it two years ago, the banks agreed to keep current credit lines open and extend the period of favorable interest rates due to expire this year. Talks are being held this week with other AEG creditor banks and an announcement on bank aid is due Friday.

#### Shell, BP Drop Rotterdam Terminal Plan

ROTTERDAM — Royal Dutch-Shell and British Petroleum said Wednesday that they had dropped plans to build a liquefied petroleum gas terminal in the Europeort harbor area here.

They said stringent environmental and safety regulations would add million to 300 million guilders (\$79 million to \$118 million) to the cost of the 350-million-guilder project. They also said the Dutch government's decision to designate a second LPG landing point in Flushing was another reason to scrap the plans.

#### Grumman Is Optimistic About Sale to France

From Agency Dispatches BETHPAGE, N.Y. — Grumman is optimistic about an initial sale of four to six E-2C Hawkeye radar planes to France, a spokesman said Wednesday in response to an inquiry. He said Grumman's aerospace division had been working on the sale for several years.

The spokesman confirmed a newspaper report from Paris saying that the French government had requested information from Grumman and the U.S. Defense Department, adding that this appeared to be just an-

other step in the process of selling the planes.

Le Monde said the French Air Force was also considering buying Airborne Warning and Control System planes produced by Boeing and the installation of radar equipment made by the Marconi Group of Britain on the Transall aircraft that already are in operation.

#### FTC Moves to Stop LTV Bid for Grumman

WASHINGTON - The Federal Trade Commission asked a federal district court in New York on Wednesday to issue a preliminary injunction to block LTV from acquiring 70 percent of Grumman's stock.

The FTC said the purchase would lessen competition in the carrier-

based aircraft field and would therefore violate antitrust law. "If the proposed acquisition is allowed to go forward, and is then found unlawful, separating the companies' would be difficult and would likely weak-en one of the firms," the FTC said.

#### American Can to Buy Insurance Concern New York Times Service

NEW YORK -- American Can Co. said late Tuesday that it has agreed to acquire Associated Madison Companies, an insurance concern, for \$140 million in a tax-free exchange of cash and stock. Associated will become a wholly owned subisidary of American Can.

The acquisition would be the company's first in its asset redeployment program announced last spring, when American Can announced it would sell its forest products division, estimated to be worth \$700 million, and use the cash to invest in a new business segment.

William Woodside, American Can's chairman, said Tuesday that he expects to sell the paper division by the end of the year, but that further acquisitions in financial services would probably not be made until after the paper division is sold.

# **Fight Over Tax Advantage** Is Ended by U.S., Europe

By Jane Scaberry

Washington Post Service
WASHINGTON — The United
States, the Common Market and three European countries have tentatively agreed to call a cease-fire in the fight to eliminate a 10-year-old section of the U.S. tax code that saves U.S. exporting companies more than \$1 billion a year.

The agreement, if approved by the General Agreement on Tariffs and Trade, will end a dispute between the Europeans and U.S. trade officials over claims that the United States is subsidizing exports through the tax, contrary to GATT rules.

The GATT also labeled the tax systems of France, Belgium and he Netherlands as export subsilies. Under the tentative agreenent, disputes about their taxes also will be dropped, according to U.S. trade representative.

Mr. MacDonald said he would to characterize the tentative greement as a concession by the Common Market but as "a cessa-ion of the battle without agreeing inyone is guilty or innocent." However, another trade official aid any country could bring a complaint against any of the tax ystems at a later time, but that apcears unlikely.

#### Taxes Deferred

The tax system permits U.S. corporations to set up paper subsidi-uries called domestic international iales corporations, or DISCs. The parent companies then can defer adefinitely U.S. taxes on part of the profits from the subsidiaries'

Congress passed legislation per-nitting establishment of the paper ubsidiaries in 1971 to stimulate

#### U.S. 1981 Deficit **Exceeds Forecast**

WASHINGTON - The federal leficit for the fiscal year just end-d was \$57.9 billion, \$2.3-billion. igher than the administration's

orecast The figure, announced jointly Vednesday by the Treasury De-artment and the Office of Mangement and Budget, could in-rease skepticism on Wall Street nd Capitol Hill about forecasts

The bigger the deficit the more ae government has to borrow and ne greater the upward pressure on tierest rates.
The administration had forecast

1981 fiscal year deficit of \$55.6 illion. The deficit for 1980 was evised to be \$59.5 billion after noving \$561 million in income om oil lease bids into 1981. The deficit figures resulted from deral outlays of \$660.5 billion

ot entirely covered by the \$602.6

U.S. exports, help the balance of trade and shore up the dollar. The GATT has avoided making a decision on the tax break since its inception, and the question was expected to arise next week. The Reagan administration at one point had considered substituting another incentive for the paper subsidiaries to resolve the issue.

The major beneficiaries of the tax break are large firms such as General Electric, Boeing and Mon-santo Chemical, which have gained about \$10 billion at the expense of the Treasury. The companies are expected to benefit by about \$1.8 hillion next year.

Mr. MacDonald said that in 1972 the Common Market challenged the paper subsidiaries as subsidies because they did not place the same tax burden on exports as on domestic products.

#### France to Control Sales by Firms **Set for Takeover**

PARIS - French firms listed for nationalization will need govern-ment permission before they sell assets to foreign concerns, the Economy Ministry said Wednes-day. The restriction also applies to sales of assets by the firms' subsidiaries abroad, it added.

The move follows last week's takeover by Geneva-based Pargesa Holding of the Swiss subsidiary of Cie. Financière de Paris et des Pays-Bas. Paribas is due to be nationalized and Pargesa's action angered the French government.

Meanwhile, a spokesman for the Belgian Foreign Ministry said in Brussels that his country considers that France may not be offering sufficient compensation to foreign interests affected by the national-ization program, although the ministry has yet to establish the value of Belgian interests affected.

He said the ministry will make an inventory of Belgian interests when the program is adopted by the French Parliament and that Belgium may ask France to open negotiations on the subject. However, France has said that it

does not intend to increase compensation terms for foreign shareholders of firms marked for nationalization. Foreign bankers said after meeting in London that the compensation offer was inadequate, and that they would seek

#### Prince Fahd Sees Kreisky

The Associated Press VIENNA - Crown Prince Fahd of Saudi Arabia stopped off here unexpectedly Wednesday following a visit to Boan for a two-hour with Chancellor Brano Kreisky before returning to Riyadh.

# **Accepts Cuts**

BONN — After a tense debate, the West German Cabinet gave provisional backing Wednesday to a package of measures designed to bridge a gap of 7.8 billion marks (\$3.4 billion) in the 1982 budget, a government spokesman said.

The spokesman, Kurt Becker, said at a news conference that the package, agreed upon in talks between the governing coalition of Social Democrats and Free Democrats on Monday, was approved with a small number of adjust-

He said the most difficult issues were proposed cuts of 200 million DM in the defense budget, which were unsuccessfully resisted by Defense Minister Hans Apel, and 100 million DM in the education budget, which were successfully resisted by Education Minister Bjorn

In another economic development, the government statistics office said the preliminary cost-of-living index rose 0.4 percent in October after a 0.5 percent increase in September. The index stood 6.8 percent higher in October than a year ago and compared with a 6.5 percent year-on-year increase in

The increase was the biggest year-on-year increase for any month since October, 1974, when it was 7 percent. These "provision-al" cost-of-living figures are taken from four of West Germany's 11 states. Final figures are expected in

about 10 days.

Speaking of the budget decisions, Mr. Becker said Defense Minister Apel "took note of the Cabinet's decision" to impose the defense cut, and that Education Minister Bjorn Engholm had succeeded in winning a reprieve on the proposed education cut.

The gap of 7.8 billion DM in the 1982 budget has arisen because the slower than expected economic recovery has meant that tax revenues would be 4.2 billion DM less than anticipated under last month's budget draft. Unemployment ben-efits will be 2.8 billion DM higher and subsidies to the coal and steel industries 800 million DM higher

The shortfall will be covered largely by taking 3.9 billion DM more from Bundesbank profits, and by raising 2.85 billion DM through higher employment insurance contributions, Mr. Becker

A government spokesman also announced that Cabinet ministers and other officials will decline pay increases in 1982 forseen by law. gesture aimed at German unions, which begin new contract talks carly next year.

# Submerged Tanker Idea Floated

Thomas W. Lippman

Washington Post Service.

WASHINGTON — General Dynamics is proposing to build a fleet of submarine tankers to carry liquefied natural gas in the shallow waters beneath the Arctic ice.

The proposal, drafted by senior executives of

the company's Electric Boat division was presented at a technical conference in West Germany last week. It calls for construction of massive tankers. each capable of carrying 140,100 cubic meters (4.9 million cubic feet) of gas, which would take on gas at a submerged Arctic terminal and ferry it out to an open-water port in eastern Canada or

The proposal says the tankers, costing an estimated \$700 million each if powered by methane gas and \$725 million each if nuclear-powered, would be "competitive economically" with a fleet of ice-breaking surface tankers under study in

Canada and cheaper than a pipeline.

"It's a feasibility study," said L. E. Holt, an Electric Boat representative. "It asks if such a system is technically feasible. The answer is yes. It asks if it's economically viable. The answer is yes." The next step, he said, is to create interest among potential customers.

The idea of nuclear-powered underwater tankers — each 1,470 feet (448 meters) long and 228 feet (69 meters) wide — represents a refinement of a proposal that was seriously studied in the 1960s. before the Alaskan oil pipeline was built, to transport crude oil from Alaska's North Slope, maritime experts said. The rise in energy costs since then could make a submarine tanker fleet an economically realistic proposal, they added.

The Electric Boat proposal was prepared by P. Takis Veliotis, general manager of the company's Groton, Conn., shipyard, and his deputy, Spencer Reitz. Mr. Veliotis, an experienced builder of surface LNG tankers, has for the past four years been director of the submarine construction program at the Groton shipyard, the builder of Tri-

dent nuclear submarines. Transportation of liquefied natural gas is more difficult technically than transportation of crude oil because it must be maintained at a temperature of minus 259 degrees fahrenheit (minus 126 Celsius). Surface LNG tankers are among the most expensive and complex ships in the civilian merchant fleet.

#### Weather No Factor

The Velious-Reitz proposal, however, says that the advantages would offset the costs, through the fleet's ability to "deliver a constant cargo volume at uniform, predictable scheduled intervals year-round, regardless of surface ice and weather con-

Their proposal calls for 14 nuclear or 17 steam-powered ships, loading terminals and repair facili-ties, at a total capital cost of \$13.9 billion for a nuclear fleet or \$16.2 billion for a steam-powered fleet. The latter fleet would be more costly be-cause of the longer hulls required to surround the fuel tanks and the need for more ships to haul the same amount of gas.

A natural-gas pipleline currently planned from Alaska's Prudhoe Bay fields to the lower 48 states is estimated to cost \$30 billion.

# **NYSE Prices Mixed as Trading Narrows**

From Agency Dispatches
NEW YORK — Prices on the New York Stock Exchange closed mixed on concerns about the Treasury's November refinancing plans and its impact on interest

After the market closed, the Treasury said it will need to borrow \$35.75 billion in new cash in October-December quarter and \$29 billion to \$32 billion in the succeeding quarter.
It also said it will raise \$3.75 bil-

lion in new cash next week by offering \$8.75 billion of short and long-term securities. The Treasury added that it will continue to sell long-term bonds on a regular ba-

The Dow Jones industrial average had been up as much as five points but lost momentum in the late afternoon and closed off 0.77 points to 837.61. Advances still led declines, around 830 to 610, as volume narrowed to 48.10 million shares from 53.03 million Tuesday. Analysts said a large govern-ment debt offering could put renewed upward pressure on interest rates, but added that they were impressed with Tuesday's broad rally

because it was accomplished with no news in the background to spark it. David Stockman said Congress must approve spending cuts or the

ceed Reagan administration estimates of a \$43.1 billion deficit in fiscal 1982.

David M. Jones, vice president of Aubrey G. Lanston & Co., said the deficit would be \$80 billion even if Congress enacts President Reagan's second round of budget tightening measures. Alice Rivlin of the Congressional Budget Office Tuesday predicted a \$65 billion deficit in fiscal 1982.

He also said that assuming no further spending or tax measures "it seems likely that the federal goverment will pile up additional deficits of about \$75 billion in fis-cal 1983 and \$55 billion in fiscal

Leon Taub, an economist with Chase Econometrics, told the pan-el that the United States faces a strong likelihood of enormous federal deficits in fiscal years 1982-84 unless changes are made in current tax and spending laws. He said the cumulative three-year deficit under current law could be "well over \$400 billion" because of the recently enacted tax cuts, with a fiscal 1982 budget deficit of \$118 bil-

As the stock market closed Ford announced in Dearborn, Mich., that it lost \$334.5 million in its third quarter, down from \$595.0 million in the 1980 period.

In other company news, RCA said production of videodisco players at its Bloomington, Ind., plant has been reduced, resulting in the planned layoff of about 300 workers Nov. 6. In addition, RCA said schedule variations will result in layoff of about 100 employees in color television chassis manufacturing at the plant.

RCA said that production had progressed to the point that dis-tributor and factory inventory pipelines have been filled in line with anticipated fourth quarter re-tail sales. RCA said more than 100,000 videodisc players sold to distributors.

CSR said in New York that it has extended its offer of \$78 a share for all Delhi International Oil shares to Nov. 4 from Oct. 27 and that it now controls 92 percent of those shares. In Minneapolis, Eastman Ko-

dak said it is testing a new copier-duplicator that has a combination of superior machine speed and features unavailable in the marketplace today."

# Japan's Trade Surplus **Sets Monthly Record**

TOKYO - Japan set a monthly record trade surplus in September of \$3.26 billion, pushing the total

for the fiscal year to date to \$12.2 billion. Finance Ministry sources said Wednesday that the surplus may reach an annual record \$23

Ministry officials said the Sep-tember current-account surplus of \$2.12 billion was the highest for any month, surpassing the previ-ous high of \$2.4 billion in March, 1978. The current account includes merchandise trade as well as socalled invisibles such as spending on tourism and freight and insur-

ance charges.

The overall balance of payments surplus widened sharply, to \$1.55 billion in September from \$601 million in August, thus helping to narrow the fiscal first-half deficit to \$3.2 billion from a deficit of \$3.48 billion in 1980, the ministry

A senior Ministry of Interna-tional Trade and Industry official, meanwhile, said it is not realistically possible in the long-term for the huge trade surplus with the United States to continue rising because of future foreign exchange adjust-ments and other impacts on Ja-

#### Doubts on Short Term

While Japan would continue to try to increase imports. Kazuo Wakasugi, the director of the MITI's policy bureau, said he doubted Japan will be able to come up with anything new in the short-term to counter its huge trade surplus with both the United States and European Economic

But, he added, while Japan understands the problem there must be a spirit of reciprocity and some countries may have gone too far in their criticism.

Mr. Wakasugi's comments followed a statement that leading Japanese businessmen will urge the government to liberalize imports to mute the European criticism of Japan's booming trade sur-

A spokesman for the influential federation of Japanese business, Keidanren, said the group will call for removal of non-tariff barriers, reduced import tariffs and a general opening of the Japanese market to foreign goods in a report to Pre-mier Zenko Suzuki on Thursday. However, the spokesman added

that some of the business leaders, who have just returned from a two-week tour of the EEC, believe it would be difficult for Japanese in-

dustries to comply immediately with EEC requests for voluntary restraints on exports.

#### Mr. Wakasugi also said Japan's (Continued on Page 15, Col. 6)

### Trade Deficit Halved in U.S.

From Agency Duputches
WASHINGTON — A sharp
drop in imports slashed the U.S.
merchandise trade deficit to \$2.6 billion in September from \$5.6 billion in August, the Commerce De-partment reported Wednesday. In September, 1980, the deficit was

\$2.01 billion. The department's economists at tributed most of the change to advanced buying of imports which took place on a large scale in Aug-ust when the dollar was at its strongest relative to other curren-

Since importers expected the dollar to fall, officials said, they speeded up their buying in August, thereby artificially increasing the

August figure.

Analysts said a weakening U.S. economy also contributed to the slowing of imports, which declined 9.9 percent in September to a monthly level of \$22,23 billion,

seasonally adjusted. Exports rose
3.2 percent to \$19.65 billion. The drop in imports was largely due to a 12.7 percent decline in imports of manufactured goods to \$12.48 billion. The value of auto imports fell \$532 million to \$1.38 billion. Iron and steel imports and imports of telecommunications equipment both fell about \$100

Most of the gain in exports was due to a 12.2 percent rise in sales of agricultural commodities. Exports of manufactured goods were

almost unchanged.
The U.S. trade deficit with Japan fell to \$1.36 billion from \$2.27 billion in August. The trade surplus with Western Europe climbed to \$1.45 billion from \$115 million. The U.S. trade deficit for the first nine months of 1981 was \$28.72 billion, down from \$29.26

billion in the 1980 period.

Meanwhile, Trade Representative Bill Brock told a House committee that he expects the United States to have a current account deficit this year, if not during the calendar year, then in the govern-ment's fiscal year ending Sept. 30. The United States had a current

account surplus of \$3.7 billion last year and in the first six months experienced a \$4-billion surplus.

# Libya Preparing to Borrow \$200 Million on Euromart

LONDON — Libya has requested a group of banks to raise \$200 million over seven years in what Arab bankers say will be a test of the country's credit-rating in the syndicated loan market.

The action is believed to be Libya's first ever trip to the Euro-market. However, banking sources said, there are no indications that the country will seek further cred-

Some bankers contend that Libya does 3 not need additional funds. Thus, the reason for the borrowing is somewhat obscure though political and prestige reasons have been cited.

The borrower is the Libyan Arab Foreign Investment Bank, a new venture reported by market sources to be responsible for all non-banking foreign investments for the country. The loan is guaranteed by the Libyan Arab For-

eign Bank, the state bank.
Banks leading the transaction are Arab Banking Corp., Gulf International Bank, Banque Europe-enne de Tokyo, Crédit Lyonnais, Kuwait Foreign Trading Contracting & Investment Co., Banque Arabe et Internationale d'Investissement and Union de Banques Ar-

Conditions include a spread of ½ point above the London in-terbank rate, which an Arab source described as "much higher than one would have expected for such a prestigious debtor." Managers are now being invited to take \$15 million each for fees

totaling % percent. Amortization will start after three years and lenders will levy a commitment fee of % percent on

undrawn portions of the loan. A banker close to the operation noted that the size of the marrin had attracted a great deal of atten-tion and initial reponse showed that a number of Arab banks were eager to join the group. He added, however, that managers had not received a sign that U.S. or British banks were willing to join.

Asked about the political implications of the loan, he said, any credit assessment there are political and economic considera-

But a French banker connected with the transaction denied that the loan could create any political repercussions. He said that although he had no idea what the funds were to be used for, he thought that the margin was suitable for the borrower.

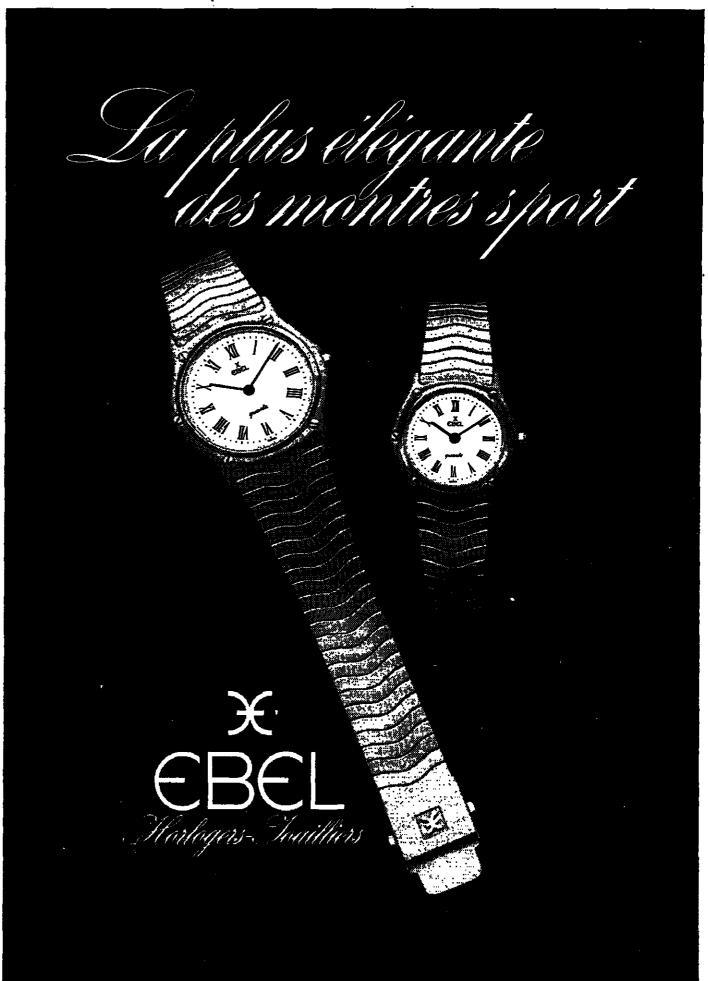
#### CURRENCY RATES

Interbank exchange rates for Oct. 28, 1981, excluding bank service charges.

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# NYSE Nationwide Trading Closing Prices Oct. Tables include the nationwide prices up to the closing on Wall Str et.

Page 14

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GOLD&MONEY INTELLIGENCE

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(Continued from Page 13)

over timing between MITI and the

bile Manufacturers Association

said vehicle exports rose 16.2 per-

cent to 483,100 in September from

August but were 6.4-percent below

a year earlier. Exports to the Unit-

ed States in September were up 3.5

percent from a year ago, while those to the EEC fell 31.6 percent.

Despite voluntary curbs on car shipments to the United States and

**Powering Exports** 

tember 1980 was \$1.8 billion

Meanwhile the deficit on non-

merchandise trade narrowed to

\$1.06 billion from \$1.28 billion in

August and compared with an \$874-million deficit a year earlier.

Japan orginally had projected a \$7.98-billion visible trade surplus for fiscal 1981, which ends next

March 31, far below the the previ-

ous record of \$20.53 billion record-

ed in fiscal 1978. In fiscal 1980, the

country had a \$6.77 billion visible

September's surplus was

Foreign Ministry.

NEW YORK - International Telephone & Telegraph reported ate Thesday that foreign exchange ranslations caused it to lose nearly 135 million in the third quarter, the biggest adverse impact from such translation in the company's history. Revenues, excluding insurance and finance operations, iropped 9.3. percent.

of telecommunications equipment butside of the United States, said that it had a deficit of \$34.8 miltion in the three months ended Sept. 30, or \$1.35 a share. In the third quarter of 1980, ITT had a profit of \$197.9 million, or \$1.35 a

Revenues excluding insurance and finance operations, fell to \$3.9 billion, from \$4.3 billion Insursaid, rose 15.4 percent, to \$1.5 bilbullet said, rose 15.4 percent, to 31.2 ition, in the latest quarter, from 51.3 billion in the year-ago period.

ITT said that in the latest three months the recording of foreignthe Financial Accounting Stand ards Board reduced earnings by \$1.41 a share. This contrasts with a gain of 21 cents a share in the third quarter of 1980 from such exchange translations.

in 1980, ITT's operations in the United States accounted for 39 percent of consolidated sales and 48 percent of net income. Western Europe accounted for about 53 percent of sales

Analysts said that since ITT derives such a large portion of its business from overseas, net margins will continue to be penalized in the fourth quarter by the continued strengthening of the dollar abroad. They said, however, that they expected operating earnings to improve for the entire year with gains in the telecommi and electronics and consumer products groups more than offsetting lower profits from the engineering products and natural resources groups.

"On an operational basis, we continue to project that the second half and full year will produce higher operating earnings than those in 1980, exclusive of the gain of 62 cents a share in 1980 on the sales of British Colombia timber facilities and an extraordinary loss of 13 cents a share in 1981 on the settlement of the Hartford tax litigation," said Rand Araskog, ITT's

In May 1981, ITT settled all pending federal income tax matters arising from the 1970 acquisition of Hartford Fire, resulting in an extraordinary charge of \$17.8

million, taken in the first quarter. In the latest three months ITT's operating earnings, excluding the impact of foreign-currency exchange, increased 2 percent on a per share basis, to \$165.6 million, or \$1.16 a share, from \$166.6 milion, or \$1.14 a share, a year ago.

# In U.S., Huge Private Debt Becomes Threat

New York Times Service

NEW YORK - While political and public

attention has been focused on the growing U.S. public debt, which has already hit \$1 trillion and could spurt another 30 percent before the 1984 presidential election, the more alarming threat to the stability of the economy appears to be a mountain of pri-

A study prepared by the Bank of New York's industrial economist Paul Wexlex shows that, with swollen debts, shrunken profits (after allowing for inflation) and reduced reliance on internally generated funds. most industries have undergone a serious de-

terioration in their liquidity.

Within the manufacturing sector, the study shows, liquidity positions of corpora-tions have fallen to their lowest levels in two decades. For instance, in the early 1960's, according to the Wexler data, the auto industry had a cash ratio — that is, cash and shortterm investments as a percentage of current

1981 871.8 35.6 4.50

1981 1,690. 05316.9

2,660. 49.3 1.45

1981 9,500. 90.0 2,22

1981 1,850. N.A. 1,75

2,220. 92.50 0.96

Canada

Profits ..

Per Share...

Japan

Profits ...

3rd Quar.

Per Share...

9 months

Revenue...

CITICORP INTERNATIONAL GROUP

MANUFACTURERS HANOVER TRUST

COMPANY

MANUFACTURERS HANOVER TRUST

COMPANY

TRADE DEVELOPMENT BANK OVERSEAS INC.

CITIBANK, N.A.

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**United States** 

Bethle

liabilities — of 98 percent. That ratio has now fallen to 15 percent.

The tire and rubber industry in the early 1960's had a cash ratio of 43 percent; it has now dropped to 9 percent. The steel industry's cash ratio, 112 percent two decades ago, has fallen to 19 percent.

The chemical industry, over the same period, has allowed its cash ratio to drop from \$1 to 14 percent; nonferrous metals, from 97 to 21 percent; paper, from 85 to 25 percent; textiles, from 41 to 12 percent; nonelectrical machinery, from 73 to 13 percent, and electrical machinery, from 77 to 14 percent.

Other measures of corporations' short-term liquidity and of their ratios of longterm debt to equity, internal funds to capital expenditures and interest coverage show similar deterioration

The 1980 recession, quickly followed by the recession of 1981 but with high interest rates persisting, gravely aggravated the liqui-dity strains of many firms. The bank's study covered only large corporations, but some of

1980 5,720. 369.7 4.44

1988 384.7 loss 11,97

— 1988

1980 15,660. 721.0 1.70 1980 46,340. 2,710. 5,31

1988 517.9 42.4 0.63

1989 1,530, 118,7 1,75

1989 1,300. 26.6 1,13

1980 3,520. 56.5 2,39

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BANCO NACIONAL S.A.

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THE FIRST NATIONAL BANK OF ATLANTA

Revenue Profits...

Profits..

3rd Quar.

3rd Quar.

Revenue...
Profits....

9 months

9 months

Revenue. Profits... Per Share

1981 477.6 22.39 2.52

1,510. 1,510. 99,08 11,30

1981 7,580. 293.1 5.37

16,840. 506.0 1.19

1981 50,550. 1,850. 4,34

1981 715.1 85.4 1.27

1981 2,010. 220,4 3,27

1.520. 31.8 1.35

1981 4210. 71.2 3.01

NL Industries •

Part & Kraft

1981 464.3 48.34 3.08 1981 1,340. 157.98 10.23

Mirro

1980 1,010. 72.11 6.43

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1**988** 1,700.

1980 880.0 35.15 0.44 1989 2,580, 150.98 1.89

COMPANY REPORTS

**Cities Service** 

3rd Quar.

9 months

3rd Quar.

3rd Quar.

3rd Quar.

9 month

3rd Quar.

Profits..

Profits.... Per Share.

from 20 cents a share.

Banco Safra SA

1980 609.3 25.2 1.12

1980 2,250. 35.3 1.12

1,480. loss32.3

1980 2,220, 139,80

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the most acute dangers are found in small companies, such as those in housing.

While all the financial positions of all the industries studied by the bank have deteriorated, Mr. Wexler said in an interview, the lowest levels of liquidity are those in autos, steel and textiles, followed by a second tier that includes chemicals, paper and rubber old-line industries that have suffered inroads from the heavy competition from abroad.

The deterioration in manufacturing liquidity is due in large measure to the continuing gap between cash flow and capital expenditures. Many corporations have tried to cover the gap by borrowing short-term, with the bond market nearly dead and bank credit squeezed by the Federal Reserve.

A deep and long-lived slump could jeop-ardize the existence of many of these companies. This is why the most crucial question facing the Reagan administration is how to keep this recession moderate and turn it around before it cracks open highly illiquid sectors of American industry.

#### North Sea Strike To Last a Week

OSLO - A strike by 800 oil and gas workers on Norway's Ekofisk and Frigg fields, said by government officials to be costing 150 million kroner (about \$25 million) in output a day, is likely to last at

Monday as the day it was expected to consider moves by Phillips Petroleum and Elf Aquitaine, respectively operators at Ekofisk and Frigg, to have the strike declared illegal and in violation of labor contracts. He said an announcement of the findings could not be

oil deliveries to Teesside, northern England and Emden, West Germany, to a standstill.

A few hours later 300 gas pro-

Finance Ministry officials said the previous high trade surplus of \$3.1 billion was set in March. least a week, a government spokes-man said Wednesday.

A labor court official gave next paced by exports of electrical equipment, including video cas-sette recorders, and textiles, although shipments of steel and vehicles slowed, they said. In August, the trade surplus was \$1.74 billion and the figure in Sep-

expected until Thursday or Friday. Some 500 production workers struck Toesday on the 22 installa-tions of the Ekofisk field, bringing

duction workers on the Frigg field, further north, joined the Ekofisk

trade surplus with a \$959-million surplus in the first half. position on proposed talks with the United States and the EEC was The invisible deficit widened to \$6.76 billion in the 1981 first half still unsettled because of conflicts

Japan Has Record Trade Surplus

from \$5.81 billion a year earlier. Investments Rise

He said MITI hopes they can In the fiscal first half, FOB extake place as soon as possible ports rose 18.9 percent to \$75.48 while a Foreign Ministry spokesbillion from a year earlier, while man said his ministry had two con-FOB imports were up 1.2 percent ditions for Japanese participation: a clearly fixed agenda and avoidto \$63.28 billion. September FOB exports rose 14.9 percent from a ing the impression that the three year earlier while FOB imports sides were ganging up against nonwere down 2.4 percent. Meanwhile, the Japan Automo-

South Korea Sets Goal For Auto Sales Abroad

SEOUL - South Korea plans to increase its annual vehicle exports to 85,000 by 1986, more than three times the 1980 exports of 25,252 commerce and industry ministry officials say.

some EEC countries, cumulative The offficials said the country exports in the first nine months of plans to export 63,000 cars and 22,000 buses and trucks by 1986. South Korea, which sold 19,700 1981 rose 4 percent to 4.63 million from the 1980 period. September exports were worth \$2.54 billion, up 21.5 percent from cars abroad in the first nine months of this year, hopes to reach 28,000 by the end of the year. August and up 5.4 percent from a

The government on Oct. 2 revised its fiscal 1981 current-account target to a \$7-billion surplus from a \$6-billion deficit. The fiscal 1980 current account showed a deficit of \$7.01 billion.

Septemeber's payments surplus was aided by an inflow of \$1.48 billion of net investments by nonresidents in Japanese securities, mainly invested in bonds. Net sales of shares by foreign investors in September totalled \$544 million. up from \$285 million in August. following a sharp fall in share pric-

es on the Japanese stock market. Japan's fiscal 1980 overail balance of payments produced a \$380-million deficit against the record \$18.54-billion shortfall a year earlier. The government has made no fiscal 1981 overall payments projection.

In August, the country's current account had a surplus of \$393 million. The first-half surplus was \$4.84 billion compared with a \$5.54-billion deficit a year ago.

In September, 1980, Japan had a \$946-million overall balance of payments surplus and a \$853-milion current-account surplus.

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OCTOBER, 1981

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NYSE Nationwide Trading Closing Prices Oct. 28 Chicago Futures Cash Prices Commodity Indexes **Eurocurrency Interest Rates European Stock Markets** Oct. 28, 1981 (Closing prices in local currencies) London Metals Market International Monetary Selected Over-the-Counter Wednesday's New Highs and Low London London Commodities Brussels 1,016 1,254 1,250 1,250 1,000 2,330 1,400 9,58 1,460 1,705 1,560 Black Market In Tea Angers Soviet Shoppers 1,31 2,34 17,48 1,748 1, 1.37 2.28 17.44 3.70 4.00 6.96 4.83 1.47 2412 \$35.00 \$3714 6.21 Agefi Index : 134,47 Previous : 134,66 large-scale black-market trading in tea has angered Moscow shoppers **NYSE Most Actives** Frankfurt and provoked police investigations and the dismissal of store mana-Zurich Oct Nov Dec Jen Pab Mary C1088 442.00 134.80 144.00 267.00 124.00 261.00 125 44.30 440.80 137.50 138.00 249.00 123.00 129.00 129.00 124.50 124 872,400 821,700 748,900 572,500 572,100 573,100 574,000 642,460 447,198 448,460 472,000 391,000 Clesse 780 1,745 1,145 1,936 505 4,425 5,250 1,210 2,070 1,210 2,070 1,25 1,900 1,25 1,900 1,425 1,900 1,425 1,900 1,425 7.55 1.125 1.125 1.050 2.060 2 The daily Sotsialisticheskaya in-dustria said Wednesday that a spe-cial commission had ordered the Tokyo Exchange dismissal of three managers and a clerk after a report in the newspa-Paris Commodities per last month about tea specula-Milan This evil has taken on quite Tedan NYSE Class 49.10 849 24.54 615 18.37 455 1,880 large dimensions. Speculators were caught red-handed with whole cases of tea and hundreds of kilg-Prev. History Cless 60.68 976 34.05 484 11.86 424 1,584 1,810 1,820 1,845 1,859 1,880 1,895 1,890 1,920 1,940 1,948 1,980 2,810 1,995 2,830 terest: 4,067 SUGAI Dec May Jly Oct Nov Dec GOCOI Dec Mar May Sep Dec Mar May Sep Ang grams were stored in backrooms to be sold on the black market," the newspaper said, adding that it has received a large number of letters demanding severe punishment for **BANQUE NATIONALE DE PARIS European Gold Markets** ADVERTISEMENT speculators.
The incident underlined growing Floating rate note issue of U.S. \$250 million AM PAL GIST 4010 4034 40761 40144 40761 Dow Jones Averages +149 +440 +446 +185 January 1980/1988 HITACHI, LTD. New Index : 541.56; Previous : 519.22 Nadrai-OJ Index : 7.221.98 ; Previous : 7.398.52 anxiety over food shortages and the spread of black-market trading Low Close 822.29 827.41 370.42 374.60 183.71 184.80 339.32 334.21 (CDRs) The rate of interest applicable for the three month period beginning October 29, 1981 and set by the reference agent is 1684% annually. to essential goods. Until recently **Floating Rate Notes** such dealings were confined main-ly to Western luxury items. The undersigned announces that the Annual Report 1981 of Hitachi, Ltd. will be available in Amsterdam at Dow Jones Bond Averages Closing prices, Oct. 28, 1981 Gold Options (prices in \$/02.) available in Amsterdam at Algemene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., Banks Vietnam Assails Nev. Feb. Weekly net asset value 10 Public Utils 10 indus Bank Mees & Hope NV.
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Kos-Associatie N.V. 15-25-18-25 5-00-7-00 23-00-27-00 2-00-3-00 14-00-18-00 1-00-2-00 10-00-18-00 0-30-1-00 4-00-9-00 U.S. on Speeches Tokyo Pacific Holdings N.V. **NYSE Index** The Associated Press
BANGKOK — Vietnam's Con-AMSTERDAM DEPOSITARY COMPANY N.V. manist Party daily Wednesday at-tacked U.S. Assistant Secretary of State John Holdridge and the U.S. 1, 1980: U.S. \$66.42 1.0W 69.29 78.71 66.48 38.95 73.05 on January Valeurs White Weld S.A. 69.34 78.71 63.90 39.83 73.09 1. Quai du Mont-Blaze 1211 Geneva 1. Switzerland Tel. 310251 - Telex 28305 on October 26, 1981: U.S. \$79.67 22nd October, 1981. ambassador to the United Na-tions, Jeane Kirkpatrick, for their remarks on Indochina, saying the United States had not learned from its defeat in the Vietnam Odd-Lot Trading in N.Y. Listed on the Amsterdam Stock Exchange European Options Exchange Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam. (IIF)

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   Envelope B and contains the technical specifications on condition that they would be supported with working catalogues, maintenance and
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Translated from the Arabic original capy. Damascus, on October 19th, 1981.
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thus leaving to the parliament the final say on the internationally.

The move had been expected af-

Disputed Nuclear Plant The Associated Press BERN — The Swiss Cabinet or Wednesday approved constructions of a 920-megawatt nuclear power-plant at Kaiseraugst near Basel.

The paper Nhan Dan accused Mrs. Kirkpatrick of "rudeness" in

her speech to the UN General Arthurship on Oct. 22, and rejected.
Mr. Holdridge's statement to Court gress Monday that "Hanoi general ally remains a menace to other

Kirkpatrick's speech and Hol-dridge's statement were all in copy

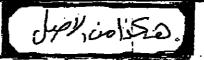
text with the Reagan administra-

tion's policy ... the essence of which is the return of the United States to Southeast Asia and increasing U.S. military involvement in this region," the paper said.

Swiss Cabinet Approves

countries of the region."

contested project. ter the Kaiseraugst consortium. which comprises Swiss, French and West German interests, declined on Monday a government suggestion to offer to cancel the



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Closing Prices, Oct. 27, 1981

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# RETURN

International Herald Tribune

# Johannesburg Consolidated Investment Company, Limited

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(Incorporated in the Republic of South Africa)

Extracts from the Chairman's Review by Mr. G. H. Waddell. The Annual General Meeting of the Company will be held in Johannesburg on 9 November 1981 at 12 noon.

The profit after taxation attributable to ordinary share-holders of R97.8m was the highest yet achieved. Earnings er share of 1373 cents were 35.5 per cent higher than the com-sirable figure of 1016 cents in the previous financial year. ordinary dividends for the year were increased by 26.8 percent

5 600 cents per share. The higher profit was attributable largely to an increase of 15.8m in dividend accruals from Johnnics interests in The south African Breweries, platinum and gold; an increase of (7.9m in net interest earned; and an increase of RS.6m in the rofits from Lenning Holdings Limited and Tavistock cilieries Limited.

nvistock Collieries Limited became a wholly owned subidlary of Johnnics at a cost to the Group equivalent to R85 for
which share held by the minority shareholders. Earlier in the
car Tavistock had entered into an agreement with Total Exidentify the Comment of the Comment On 22 June 1981, in terms of a scheme of arrangement, I coul per annum for thirty years commencing in 1983. Condenable emphasis has been given during the year to expanding the Group's coal reserves both within Tavistock and elsewhere within the Republic. Results have been encouraging articularly in the case of Phoenix Colliery where the potential ow exists for an open-cast mine. The Group is now better hand to look for new coal business either for the export or laced to look for new conl business either for the export or omestic market and I am hopeful that coal will in time provide larger share of our income in excess of the increase which

all arise from the acquisition of the balance of Tavistock.
The Randfontein Estates Gold Mining Company, Witwaters and, Limited and Western Areas Gold Mining Company paid abstantially higher dividends for their year ended 31 becember 1980. Subsequently, with a fall in the gold price, oth companies have paid reduced interim dividends. These tines are in the midst of substantial capital expenditure prorammes, both to maintain and augment the ore reserves vailable to them. If the gold price rises in a sustained manner ver time then the substantial additional ore reserves that will ecome available will be of great importance because of the

reater fieribility they will allow to mining operations.

Apart from Consolidated Metallurgical Industries Limited [MI], the Group's industrial interests, which include Lenning 'oldings Limited and substantial portfolio investments in The outh African Breweries Limited, Argus Printing and Pubshing Company Limited and Toyota South Africa Limited, adan excellent year. Excluding CMI, which has yet to declare a ividend, their contribution to Group income continued to frow in importance and in the aggregate at R26.1m showed an crease of 60 per cent on the previous year.

Ouring its financial year to 21 1 1 100 year.

During its financial year to 31 August 1981 the net operating cofits from sales by Rustenburg Platinum Holdings Limited cre-R266.2m as compared with R273.7m in the previous ar. Ordinary dividends were increased to 45 cents per share sies of platinum were significantly and adversely affected in ic last quarter of Rustenburg's year when the free market the remained below Rustenburg's price of \$475 per onnectic high rates of interest in the United States of America held ack any rapid recovery in the automobile industry in that untry. Here and elsewhere other industrial demand for utinum remained generally steady and there has been a

notable recovery in the level of imports into Japan in the first seven months of this calendar year.

The board of Shangani has now announced that it intends to recommend to its shareholders that they approve a scheme of arrangement which will result in the purchase by Bindura Nickel of the mining assets of Shangani in return for shares in Bindura Nickel. In terms of the proposed agreement, Bindura Nickel will assume the whole of responsibility to provide the future financial requirements of Shangani, though the Group will continue to guarantee its share of the present loans from

This seems to me to offer a sensible and satisfactory outcome for all the interested parties and to give each benefits which would not have been available if Shangani had continued as heretofore. The Group has in recent years made full provision against both its investment in and loans to Shangani and there should therefore be no material impact on its accounts in

the current financial year. The outlook for the South African economy has changed sig-nificantly since last year. The combination of the lower gold price, high interest rates and recession in the major developed industrial economies is likely to allow a real growth rate of only some three to five per cent compared to the admittedly exceptional rate of eight per cent last year. Comfort can be drawn from the fact that this would still be considerably better than most other countries, but the real cause for concern lies in the figures for real private consumption expenditure per capita (which measures changes in standards of living) from 1973 to 1981. Despite the increase of 6.4 per cent in 1980 and the likely increase of 2.5 per cent in 1981, the compound rate of growth over these eight years will have been less than one per cent per annum, nor are the present prospects encouraging for 1982. For most countries that leaves a great deal to be desired, but particularly so in our case, where the disparity in incomes is so

The real impediment to sustained higher growth is the failure to turn to best account the human resources readily available to us and who are only too willing to improve their lot. The Group, in common with others, is moving towards the implementation of an integrated wage curve and considerable progress has already been made towards that objective. It is, however, important to realise that even when that is achieved (and on the assumption that all restrictions on the mobility of labour have fallen away, which is a far cry from the present), the vast majority of our black employees will still, in practice, be denied the opportunity to move into higher positions since they will still suffer from the handicap of an inadequate education. That is the kernel of our problem and we can ill afford to continue to be profligate with time in acting to remove it. This is not something that business can or indeed should attempt on the scale required as it is properly the function of Government though the private sector will continue, as it has in the past, to help. Until such action is taken, the shortage of skilled labour will continue as heretofore to be the brake on the future

economic performance that we could otherwise hope to attain. For the Group as for the country, in the absence of a recovery in North America, Europe and Japan and in the price of gold and other exports, it is likely to be a more difficult year.

19 October, 1981. Johannesburg

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Canadian Indexes Oct. 25, 1981 Close 318.69 1,853,70

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October 28, 1981

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THING YOU NOTICE ABOUT A GUY !

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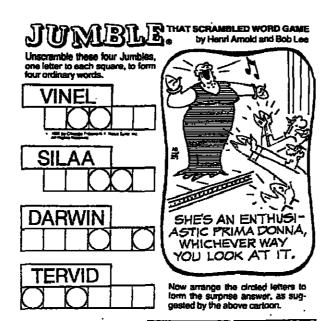






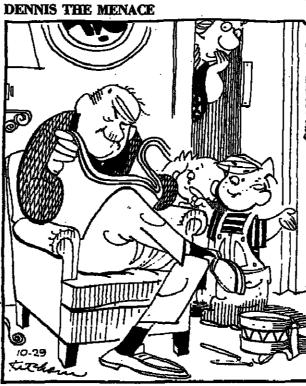






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VERY ROUGH!

Imprime par P.I.O. - 1, Boulevard Ney, 75018 Paris



"WANTA PLAY *ASPIRIN* MR. WILSON? THE ONE WHO GIVES THE OTHER GUY A HEADACHE FIRST, WINS!"

**BOOKS** 

**GREEN THOUGHTS** A Writer in the Garden By Eleanor Perenyi, 289 pp. \$15.50. Random House, 201 East 50th St., N.Y. 10022.

THE ESSENTLAL EARTHMAN Henry Mitchell on Gardening By Henry Mitchell. 244 pp. \$12.95. Indiana University Press, Bloomington, Indiana 47405.

By Bertha Benkard Rose

GREEN THOUGHTS," subtiden," is a delight. Eleanor Perënyi is a serious gardener who is also an experienced and witty author. Her horticultural knowledge, combined with her many observations on life have produced a book that is informative and line reading.

The book is encyclopedic: "annuals," "artichokes," "asparagus," "asters" and so on, follow each other through the alphabet, but there are surprises in many sequences. A chap-ter entitled, simply, "Blues" tells much about the many flowers in the favorite of all colors, but it also speaks of Nancy Mitford, Jane Austen, Gladys Cooper and Edith Wharton, weaving them in among the blues in a manner that makes wonderful reading "Earthworms" and "Endive" lead to "Failures" which starts with an amusing quote from Beverley Ni-chols "Garden Open Tomorrow."
"Ivy" leads to "James vs. Benson,"
which recounts that E.F. Benson leased Henry James' house in Susser and, while there, wrote of the mad and wonderful, fictional Miss Mapp. Unusual in a garden anthology but a sudden and welcome relief from slugs

and poisons.

Many chapters in "Green
Thoughts" could stand on their own as informative, fascinating essays. Particularly enjoyable, to me, is "Two Gardeners": one Lawrence Johnston, the other the better-known Ellen Willmott. Both were interesting people in their own and very different ways. The former left, as his heritage, what the author of "Green Thoughts" feels is the most remarkable modern garden in England. Poor Willmott, a great horticulturist, left no garden due to tremendous financial reverses. As with so many references in this book one would like to know more about these two people.

#### Old Hat

"Partly Cloudy" is another gem a treatise on inaccurate weather re-ports and a science of forecasting called phenology which uses the signs of nature to show coming events. The growth stages of plants and the emergence of insects are part of this science, but I saw no mention of the groundhog or the hoarding schedule of the squirrels. These are old hat perhaps, but part of my childhood teachings, which included the information that when the shad bush blooms, shad come to the rivers, and when the lilac blooms look for the weakfish to bite.

There are many chapters in this book that are wonderfully helpful to the gardener, so it makes little differ ence that, here and there, some of the knowledge imparted will be used by few if any growers. "Three Houses," for instance, is a nice bit of the history of "adult houses" high in the foliage and of the philosophy of "the gift of privacy." However, I fear, this is but a dream to most in the days of dwindling help and mounting costs.

There are many apt and succinct descriptions sown throughout the pages. A good tomato, for example, should look like "an archipelago broken up with lakes of seed." All of these are interspersed with knowledgeable hints on how to sow

parsley and grow Belgian endive.
"Green Thoughts" ends not with
zinnias but with "Woman's Place," not a happy one in the history of gardening, according to the author.

Solution to Previous Pazzle ITIST EXOTIC A SHIRR GENE Unheralded and unsung and pushed into the background, Equal Righs have yet to find their place in the gar,

Just as Perenyi's book contains use ful and practical information as well as delightful writing, so too does "The Essential Earthman," which brings to gether many of Henry Mitchell newspaper columns on gardening

Mitchell has a healthy and prag-matic approach to the many difficul-ties and frustrations that come with trying to grow almost anything. He starts, right off, telling the gardener b be defiant, expect the worst and sient to the essentials. He is quoted as here ing said, "It is not nice to garden any where." Somehow, i don't believe that he truly means this. If he did, he could not have written a book so full of thoughts, information and the sheet joy of being a gardener.

The Earthman is a bit of a flower: snob; zinnias and marigolds received short shrift from him. One he related to cousins, nice unless too many, the other, he says should be used as sparingly as ultimatums.

The chapter entitled "Bad Trees and Good Trees" should be required reading for anyone contemplating the planting of trees. In a rather the burst of frankness he points out that while some trees can be introduced. into a garden, there are many more that should be, quite ruthlessly, cit, down. This strikes a chord in me, are was intimidated for years by a large eim. When it finally died, much to me secret delight, my house, suddelly glowed with sun and light.

#### Perception

The author is perceptive, and the knows that often the little things is gardening can be the most rewarding. Because of his awesome knowledge in realizes the enormous work that goes into the growing of almost any plans. So he points out the simple pleasure of watching a squirrel select a leaf and tells us that there are many gifts of nature more satisfying than showy

Henry Mitchell is a man of strong opinions: Japanese gardens, and lawn and garden sculpture are not for him However, he writes eloquently of in nor bulbs, and his love and knowledge of camellias make me want to fr again. He tells of the joy of the low nasturtium and his description of what he grows among his rose bushe is, indeed, unorthodox. Forget-me luver nots and rue vie with dusty miller and protuberoses, and his answer to those who question his methods is "Life is not just a bed of roses." One feels that his is, probably, one of the lovelit and more unusual beds of roses. The last chapter of "The Essented

Earthman" reveals a dedicated man of the soil, a charming picture of a gar-dener who loves his trade. He tells to a day in his life, during which time the sole accomplishment is the planting three tomato plants, but a day of hap py involvement with his plot of land. Henry Mitchell seems, always, to have his two feet planted as firmly in the ground as his tomatoes. In this chapter the reader is carefully instructed in the care and feeding of the plants and there is, also, a paragraph or two devoted to roses. Basically, the days one of deep pleasure and fulfillment no matter what, if anything, was an example of the control of complished.

"The Essential Earthman" is a practical, down-to-earth book and should be most helpful to any new. gardener with bare ground and the ideas. These ideas will be, wish pared down to the essentials, her pared down to the essentials, but along with the warnings there is constructive help on all phases of gardening from one who has been there again knows. The pitfalls are there clearly stated, but with them are the joys and delights. This joy shines out from Henry Mitchell and illuminates has book. book.

Bertha Benkard Rose, a collector of Americana and a gardener, is a former director of the Winterthur Museum. She wrote this review for The Washington Post's Book World.

### BRIDGE

THE oldest coup in the game, dat-ing back to the days of whist — long before bridge was thought of — is named after the English watering place of Bath. It is a simple holdup play with ace-jack-x when the king is led. If the suit is continued, the ace and jack both score.

It is important for the leader to know where the jack is, so the modern tendency is to lead the queen from a holding of king-queen-10-9. The lead-er's partner is expected to clarify the position by playing the jack if he has that card.

In a regional championship an inexperienced young player found herself in three no-trump after a simple auction. The diamond queen was led, and dummy and East played small cards. South looked at the queen suspiciously and remembered in time that

she was entitled to an inquiry. "Does the queen mean anything special?" she asked East.
"Yes," replied East. "It calls for the

unblock of the jack."

"O.K.," South said as she played her jack, "but I don't think it's very fair." West was delighted with this devel-opment. It seemed to him that South

might have begun with ace jack dou-bleton, and he continued with the dismond king. This was the wrong play as it turned out, but it was certainly difficult to consider a shift.

South was still upset about the first trick, and did not consider the possibilty of holding up her ace. She simply won the second trick and played a club. East held up his ace for two rounds, but it did him no good. South emerged with 11 tricks and a score of

By Alan Truscott 660, still feeling that she had been is some fashion the victim of sharp pray

But when the scores appeared, she found to her surprise that she had a top score,

At most other tables, three no trump had been defeated after South layed low on the first trick. West felt sure that a second diamond lead would be an error and shifted to the willing spade jack. This was just what East wanted, and the delense took tines. tricks in that suit, together with one in

each minor. East and West had been looking forward to telling a funny story about the opponent who unblocked the jack from ace-jack-x, but found themselves obliged to tell a sad story indeed They should perhaps be accorded little sympathy.

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**\$**53 Both sides were vulnerable. The bid-\c.

ding: South . West North IN.T. 3 N.T. Pass Pass.

West led the diamond queen.

After 20 years as a football ach and 10 more as an athletic rector, he moved to Marshall. 0., where there are no budgets to lance, no high school players to truit, no alumni to satisfy. But nearly a decade after he

orked at Florida State, Staplen's name still comes up frequentacund Tallahassee, Fla. This ar, whenever Seminole football is been discussed, it has not allys been brought up with great

For 10 years ago, when Staplen was placed in charge of a foot-ill program that was sliding danrously close to bankruptcy and aving for national attention, he d the only thing that would there credibility — and solvency. He went to the big boys — "beg-ng, of course," he said.

Dotted Line

Within 16 months, he scheduled i football games over a period of surs against the strongest of the swerhouses — oftener than not . 1 their terms and usually in their swips. When the papers were gned for the 1981 portion of tose schedules, Stapleton had preed to play away games against ebraska, Ohio State, Notre ame, Pittsburgh and Louisiana tate. All within a period of six

"I remember thinking I sure ope the coach has been winning rior to '81,' "Stapleton said. "Be-inse '81 is the kind of schedule nat could get a losing coach

red."
"I'll agree with that," Bobby owden said, and smiled. Bowden became FSU's coach in 976, after he had been hanged in ifigy at West Virginia. The Floria State program had risen re-tarkably in the 1950s and 1960s. Intil 1947, the school had been ne Florida State College for Vomen. Since then, its sta rew from its original 15,000 ca-acity to 51,000, and Florida State eveloped teams that could comete on the highest level

The Seminoles became known or passing combinations of Steve ensi to Fred Biletnikoff, and Bill appleman to Ron Sellers. They rere also known for a shifty halfack from West Palm Beach who layed in the mid 1950s, injured a nee and then left to start a movie areer. Buddy Reynolds returned o watch a game in 1969, but by hen they were calling him Burt.

Back to Square 1

By the time Bowden arrived, the rrogram had fallen all the way pack: In the three previous seaons, FSU teams had been 0-11, 1-10 and 3-8. So in 1976, Bowden and more pressing wornes than the 981 schedule. "You know what I figured?"

owden said of that far-off 1981 eason. "I wouldn't be here. I'd do ood and get another job. Or if I lidn't, I wouldn't be here." But a strange thing happened. Then Florida State started win-

College Football Polls

The Associated Press EW YORK — The top 20 teams in The A I Press college football poll, with first

United Press Internation

lowa SL (3-1-?) No. Carolina (6-1) Washington St. (6-0-1) Miomi (Flo.) (42)

**Transactions** 

rosses Accord soury respects everteened offi-tement, Jone Courseld, inheider; Street Galf, Icher, and Marvell Wynna, cutifielder, to its 40-on roster, Activated Tom Housman, pitcher, BASISTERAL.

Noticeal Residence Association

u. Jim Brandon and Ernie DiGreg in Jim Brason and Erica Discourse, and and another medical george Morrow, forward.
CHICAGO—Nolved Scott May, forward.
CLEVELAND—Released Wester Jordan, forstd. and Rich Yonahar. center.
50LDEN 57A7E—Walved Billy Reid, suard.
KANSAS CITY—Walved Kim Demont. forard. Placed Howleve Whitney, forward, on the
suard liet.

d Verb Smith; forwards. red Cort Bolley, Center

POOTBALL

Noticeal Feetball Legue
N.Y. JETS-Weived Billy Toylor, runni

HILADELPHIA Signed Colvin Ma ifback, IT. LOUIS—Walved Bill Acker, lineman.

Florida State Hits the Road to Hit the Big Time ning and Bowden received offers of jobs he had dreamed about, he detided to stay. "I wanted to take them," he said, "but I like it here." He became an institution. His

speaking delivery combines the drawl of the region and the dra-matic effect of a preacher with the timing and wit of a stand-up come-University literature quotes Dr.

Coyle Moore, a former dean, as saying, "Bobby Bowden is a Southern Cracker, to the manor born, perfectly adapted to us Southern Crackers and rednecks in Northern Florida. He speaks our language, adheres to our religious faith and fits our needs like a

It helps that the Seminoles have been to two Orange Bowl games in

treated as a university crisis. FSU President Bernie Sliger sat back in his office last week, puffed on a cigar, and considered the possible implications of the resignation of a football coach

"I'm guessing," he said. "Three years ago, we had that inferiority complex - if-anybody-met-mygirl-they'd-take-her-away, that we can only keep people until they get good. I think that was a very important turning point, that we could keep somebody that we wanted when someone else offered what was, in most people's minds, a better opportunity."

Bowden signed a five-year contract, reportedly for \$125,000 a

So when Louisiana State tried to money in 1981, with its tough snatch Bowden away after the schedule, but he did not know just how hard it would be. Six FSU players were arrested last March for accepting stolen

goods from a former player who was employed at a Tallahassee department store. Bowden knew that the future of the program could be determined

by his decisions. After the weight of dismissal sat on their shoulders, the players received a warning: "I said the next guy that steps out of line, I'm going to nail," Bowden said. When Gary Henry, a senior strong safety, was later implicated in a burglary, Bowden had no choice. Henry, a starter, was off the team. There have been no discipline problems

During spring practice, instead

Salazar said, "Why should I run in

a race where my supposed prize money is under their control? They're just a bunch of hypocrites.

Why don't they just make it open?
They allow prize money, but
only \$1,000. They allow a trust

fund and say, Pick up your money in 10 years. Why not let the ath-letes have the money when they need it to live on? In the mean-

time, we're supposed to live like a

lose power," he added. "They want

money. And they have no right to

TAC Statement

Athletics Congress said Tuesday that Alberto Salazar's criticism of

its rules on eligibility and payment was unjustified. "Salazar is an ex-

ceptional athlete, with whom TAC

has had a good relationship," its

statement said. "But his state-

ments in New York were com-

Salazar was critical of the exper-

iment in which TAC allows ath-

letes to take money but turn it over

"Apprently, he's not aware of the facts," the statement said. TAC

said it favors repeal of eligility

rules that would allow athletes to

receive remmeration. However, a

proposal to end such restrictions

was rejected by the International

Amateur Athletic Federation in

ments that TAC can use the trust

fund money however it wants to

were inaccurate. Athletes can draw

money from the escrow fund for

TAC said that as a member of

IAAF it must enforce amateur

rules. But the statement said TAC

needs concrete evidence of infrac-

training purposes only.

The statement said that com-

pletely unwarranted."

to an escrow fund.

September.

INDIANAPOLIS (UPI) — The

to keep it under their control.

"TAC is scared they're going to

"What they want is a slice of our

bunch of burns.

# Salazar Berates Athletic Congress For Policy on Payments to Runners

Washington Post Service
NEW YORK — In most sports,
the victors hold hands with the spoils. In running, they can do it only under the table. For the last year, guerrilla war-fare has been raging between the Association of Road Racing Athletes, a group that advocates open running and which established a professional circuit in June, and officials who prefer to abide by the

By Jane Leavy

hiletes under the table. Alberto Salazar, who won the New York Marathon Sunday with a 2:08:13 world-best time, called those officials "a bunch of thieves" and "a bunch of hypocrites" at a press conference Monday.

For the third consecutive year, ources say, officials of the New York Marathon offered under-thetable prize money for top finishers. According to Don Kardong, the president of ARRA, the prize structure for the 1981 marathon began at \$14,000 for the first-place man, with decreasing inducements going down 12 places, and bonuses for setting various records. According to other ARRA sources, the prize money began at \$8,000 for the first-place woman, continuing down 10 places.

Fred Lebow, director of the New York City Marathon, denies paying under-the-table prize money or bonnses.

When Allison Roe, who broke the woman's world record with a 2:25:29 clocking Sunday, was asked how much she thought that victory would be worth, she said, "I don't know. I'm not 100 percent sure. Let's put it this way, I haven't received it yet. When you try to find out about it, they're kind of

But, asked if she would accept the first-prize money and any bonuses that might go with it, she said, "Yes."

Roe, who received \$4,000 for hersecond-place linish in the AARA's Cascade Run-Off last June, did not become eligible to run in New York until last week, when she agreed to place her winnings in a trust supervised by the amateur New Zealand Federation. Only then was she cleared to run in New York by the International Ama-teur Athletic Federation and The Athletics Congress (the latter is the governing body for track and field in the United States).

At the IAAF council meeting in December, officials will consider a proposal to allow athletes to accept prize money as long as it is placed in trust funds administered by their local federations.

·Everybody Knows' Salazar does not hesitate to say: "I do make my hving off running. It [under-the-table payment] defi-nitely takes place — that's something everybody knows. It [the amount] varies for different

Asked if he would accept this year's first-place prize money, Salazar said, "From what I've said already, you can draw your own

If the IAAF approves a system allowing athletes to accept prize money and put it in trust funds, Salazar said, "Obviously, if they offered it, I'd be stupid not to ac-

But he inveighed against TAC and its policies on running for money. "Whenever I get a chance to say something about TAC, I'll take it," he said. TAC officials, Salazar said, "are just a bunch of

Although he dishkes the current system, he said, all things being



Alberto Salazar . . . At the finish line Sunday.

eculal ne would rainer compete in a race where he got his money under the table directly from a race director than in a race where TAC controlled the money.

tions to impose penalties. "Il would be naive to deny tha there are under-the-table payments in track. It would be equally naive to think that TAC could take action against any athlete without "I have no respect for TAC," evidence of wrongdoing."

# U.S. Army Reportedly Verifies Olympians' Illicit Drug Orders

substantiates charges that mem-bers of the U.S. Olympic modern pentathlon team were given drugs to help them deal with the stress of competition, according to a newspaper report.

The Dallas Times Herald said Tuesday that the athletes, traditionally trained at U.S. Army facilities by Army instructors, were given tranquilizers to improve their pistol-shooting scores.

Former team members had charged Col. William Taylor, the team doctor, and Col. James Moore, the team commander, both of Fort Sam Houston at San Antonio, with providing the drugs. They said they were given Librium, Propranolol, Lomotil, Valium and Inderal to relax their muscles and block the flow of adrenelin. Olympic rules forbid the use of any drug except for medical rea-

The Times Herald said Taylor had told Army investigators he ordered no drugs except on the advice of Moore.

Preliminary findings of the Army inspector-general's investi-gation were released to two former pentathlon athletes through the Freedom of Information Act, the

Investigators found allegations DALLAS — An Army report of "improper dispensing and use ubstantiates charges that memated," according to the newspaper's recounting of the Army report. The paper said the inves tion is part of a probe by the FBI and Army Criminal Investigations

The report says pharmacy records at Brooke Army Medical Center at Fort Sam Houston show that a prescription for Moore on April 24, 1979, for 40 10-mg tablets of Inderal Propinal included instructions to take two tablets one

hour "before the shoot." Quoting the report, the paper said the pharmacy records show 13 separate tranquilizer prescriptions issued by Taylor between January, 1978, and April, 1979, the period

of the Army investigation.
"In almost all cases, the quantiprescribed ranged from 30 to 60 oills. The instructions in several cases read, 'two pills, one hour before the shoot' or 'one pill, one-half hour before the shoot," the report said, according to the Times

The Olympic pentathlon has five events: 5,000-meter crosscountry run, 300-meter swim, foil fencing, and pistol shooting.

NHL Standings



CY. ISLANDERS—Stared Mike Boury rich! St. Louis right wing Blair Chapman got between defenseman take the very control.

Borge Salming (21) and goalie Vince Trambley to score the opening goal in the Blues 7-5 victory over Toronto Tuesday.

# WAL ES COMPERENCE

Los Arresies 8, Quebec 7 (Dicame (9), Fox 2 (6), Bonor (1), Harris (1), Terrion (6), Karob (2), L. Murnhy (4); P. Stostny 3 (9), Clouffer 2 (9), Soulet (5), March (5), N.Y. (standers 4, 8-4) ey (10), Merrick 2 (5); Coffey (6), Mes sy (10), Merrick 2 (3); Comey (6), Messker (11), Spitonen (3)). Mentraol 11, Philodetoblo 2 (Robbuson (1), Jarus (4), Acton 3 (7), Houte (1), Stutt 2 (11), Tyroblov (8), Laroucha (5), Trambley (9); Lanch (10), Borber (6)).

of complaining about the schedule, Bowden began to transmit his mestage: His team had a chance to do what no team had done. He sent each player a letter in July, saying that if they won there was no way anyone else could be voted the national champion.

"Knowing that, we can get de-stroyed," Bowden said. He did not tell that to the players.

When Bowden talked to writers, he called the schedule's heavy stretch "Oktoberfest," a festival. Soon the writers were writing about Florida State's party and the players were repeating his message to each other. After an embarrassing 34-14 loss

at Nebraska, there was a meeting, without coaches, that led to an inspired week of practice. The fol-lowing Saturday, Oct. 3d, FSU defeated Ohio State, 36-27. The next week, at Notre Dame,

Florida State won again. Bowden was dressing after the game, in the place the legend of Knute Rockne was created, when he was asked if they now should make a movie called "Bowden of PSU." He "Bowden of FSU." He laughed and then he shrugged.

"They ought to," he said.
The following Monday, the sel-lout crowd at the Tallahassee booster luncheon stood and cheered when the coach walked to the podium, which was adorned with a bumper sticker emblazoned, "Hail St. Bowden."

'Another Pretty Face' Florida State was to play Pittsburgh next. "Once you see one, you've seen 'em all," Bowden told the boosters. "They're just another

pretty face. The boys are used to That Saturday afternoon, at 1:20, when the locker room door at Pitt Stadium had been closed, Bowden addressed his team. He had already told them, during the week, that the game would be for a

national championship. His voice jumped half an octave. "We're right where we were the last two Saturdays," he said. "Sitting right here like this, wondering if we're gonna win, the odds against you.
"Offense. We'll throw the kitchen sink at 'em." He langhed. "We've got every play in the book in. We won't hold back." They never had the chance. Pitt's de-

fense disrupted Florida State's plans and led to a 42-14 victory. The edge was off the party, even if it still had one week to go — and last Saturday the Seminoles wound up their heavyweight Oktoberfest by demolishing Louisiana State, 38-14, in Baton Rouge.

"How many weeks can you do this?" Bowden had said after the Pittsburgh game. "That's the fatal part of the schedule. It's unfair." But FSU has a consolation prize for its foray into the time: revenue of about \$800,000, before ex-

"That's not too bad, is it?" said Clay Stapleton, down on the farm.
"I'm thinking that's pretty



Coach Bobby Bowden has a mid-game strategy conference with Seminole player Blair Williams.

# Series Delay Aids Both Sides

By Thomas Boswell . Washington Post Service NEW YORK - Baseball got a World Series rainout Tuesday night that helped both teams.

The New York Yankees were glad that wet grounds and a gloomy forecast (borne out by heavy rains Tuesday evening) postponed matters because it became all but certain that third baseman Graig Nettles' jammed thumb would be sufficiently healed to enable him to play Game 6 Wednes-

day night. The Los Angeles Dodgers were perhaps slightly less delighted. Had Game 6 gone on as scheduled, third baseman Ron Cey would not have started because he still was woozy and lightheaded after being hit in the head by a Rich Gossage pitch Sunday.

His chances of playing Wednes-

day remained problematical.
"I felt good this morning." Cey said Tuesday. "But this afternoon changed my mind. I was not in good shape. I was relieved to hear the game was called. I wasn't even going to go to the park and try to dress. How do I feel? Let's just say that I still have my ups and downs.

"The doctors say that if I have a workout [Wednesday] and come out of it with no dizziness or light-headedness, I can try to play. But, I assure you, if these symptoms persist, I'm not going to permit myself to take the field," said Cey, whose speech is habitually on the formal side.

"Doctors tell me that if I have dizziness, then hard running might bowever. The Yankees, for good

don't know what the ramifications of that would be. And I'm not about to find out: I'm not going to endanger myself over any game, even this one. This is potentially just 100 serious. If there's one iota of doubt in my mind, I won't

No Acrimony

No hard feelings seem to remain between Cey and Gossage. "I saw the pitch all the way," said Cey. "But by the time I began to move. it followed me like a magnet.... I remember hitting the ground in slow motion. Then it was a stupor -like another world.

"Rich came over and spoke to me after the game. I have a great deal of respect for him as a player, but I have even more respect for him now as a person.

An irony of this Series is that are so many parallels between the two Both have day-to-day injured

third basemen, • Both have spectacularly hot first basemen — the Yankees' Bob Watson has a .500 on-base percentage and an .824 slugging aver-

age while the Dodgers' Steve Garvey is batting .450. • Both have had postseason problems in center field, where New York's Jerry Mumphrey was benched for two games (he was listed to start Game 6) and the Dodgers' Pedro Guerrero has only in the last two games started to

emerge from a horrid slump.

ill, are owned by George Steinbrenner. Last weekend, as the Yankees lost three fundamentally unsound,

morale-eroding one-run games in rock-hard Chavez Ravine (Watson likens it to "playing on the Son Bernadino Freeway"), Steinbr-enner was almost certainly a detri-

ment. New York began the Series without one of its regulars — its designated hitter, which isn't being used in this Series.

When Nettles was hurt, another regular was gone. in Game 3, Steinbrenner ordered that previously injured Reggie Jackson, who said he was ready to play, be kept on the bench against Fernando Valenzuela. An-

other regular lost for a game. Then, in Games 4 and 5, Steinbrenner decreed that switchhitter Mumphrey, perhaps the steadiest Yankee all year, be benched against two left-handers. Two more games minus a starter.

The Best Thing

Yankee "punishment benchings" are over. Everybody who can play will play. To boot, Steinbrenner has managed to do perhaps the best thing possible. He made himself the butt of team ridicule by getting into a brawl with two disparaging fans Sunday night in a Los Angeles hotel elevator.

"George's light might loosen up the team a little," Lemon said. "On the plane flight back, George was taking a lot of heckling and abuse, and he took it pretty well." Lemon paused for sarcastic effect. "If we win," he said, "you know that'll be the reason."

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#### **Art Buchwald**

# The CLA's New Charter

Q - Doesn't the CLA have

A - You would think so, but

enough to do gathering intelligence abroad without bugging Americans?

most intelligence organizations

know if they can operate in their

own country they can justify a

Q - Will the CIA be able to

break into your home under the new guidelines?

A — Not legally. But no one is going to make a big deal of it if an agency does so without getting an official okay.

Q — What's the worst that could happen to a CIA person who over-

sign, and then get a job working for Colonel Qadhafi.

Q — I thought the FBI was in charge of catching spies in the United States. Why is the CIA get-

bag jobs FBI agents are no longer

permitted to do. Since the CIA is

not interested in prosecuting any-one, they can justify almost any-

thing in the name of national se-

Q — What's to prevent the CIA from working with the Malia or hir-

ing Cuban gangsters to do their dirty work for them?

A — Nothing really. When you're doing a covert job, you want the best people you can get.

Q — Isn't there a chance that the CIA will start off their domestic spying with the best of intentions, but as they get more and more power they could turn the country into

A — It couldn't happen. The

CIA is monitored by a Senate watchdog committee, and nobody in the CIA would ever lie to a

Q — Will the press be allowed to report on what the CIA is up to in this country?

A — Not if Congress passes its new Official Secrets Act. You can't have a first close depending the control of the con

have a first-class domestic intelli-

gence operation if the media are

Q — Then who protects us from

- Because there are a lot of

A - He would be asked to re-

much larger budget.

steps his authority

ting into the act?

a police state?

United States senator.

going to write about it.

our own secret service?

WASHINGTON — I have good news today. The CIA is going to come back in all our lives. If President Reagan's executive order goes through, the agency can once again spy on Americans in this country.

There are a few people in the United States who are nervous about giving the

Central Intelligence Agency this kind of power, so I will put their fears to rest by answering some of the questions being raised by the new ground rules.

Q - If you allow the CIA to operate in this country don't you violate our civil liberties?

A - No, the CIA protects them, The more it knows what Americans are up to, the safer we will all be from the Commies.

Q — Will the CIA agents be able to read our mail and tap our tele-

A — Within reason. But they are only going to read the mail and tap the phones of those people who de-serve it. The rest of us have nothing to fear.

Q - The CIA was used as a political instrument by the Nixon peo-ple. What's to prevent them being used again to "get" the administration's opponents?

A — The difference is that the

men under Nixon lost their moral compass. But the people who work for Ronald Reagan are beyond

Q - How do we know this?

#### Luxury Muffler Devised For Snoring Women

United Press Inte CHICAGO — A Los Angeles neurologist has come up with the perfect gift for the woman who snores — 1 rhinestone-studded mink collar.

Dr. J. Dewitt Fox introduced a contoured collar at the American Surgical Trade Association show. He said he developed the device to treat headaches and neck pains, but later discovered it also prevents snoring.

He said it came in several versions, including the "ultimate col-lar with mink and rhinestones to wear to the opera."

A — That's like asking who protects Soviet citizens from the 47/98/, Los Angeles Times Syndicate

Mario Vargas Llosa Of Fanaticism, 'Utopian' Violence A - Because most of them are

Peruvian Novelist Explores Roots

By Juan de Onis

IMA - A new novel by Mario Vargas Llosa, "The War of the End of the World," is at one and the same time a major literary work, an adventure story, a historical drama, and an inquiry into ideological fanaticism "utopian" violence in Latin America.

"The novel takes place in Brazil in the last century when the lack of communication between two ideologies, two fanaticisms, led to the Massacre of Canudos in the backlands of Bahia," he said. "This theme fascinated me because it is an experience that every Latin American country

shares." Some of the characters are inspired by historical figures, particularly Antonio Conselhe religious traditionalist who was the spiritual leader of the community at Canudos that resisted the republican forces of "prog-ress" that overthrew the Brazilian monarchy.

Other characters in what Vargas Llosa calls his "most ambi-tious" novel are symbols of what appear to be recurrent ideologi-cal tendencies on the Latin American scene.

Utopia in America

There is a broad current of thought, going back to the Counter-Reformation, that the Garden of Eden, that the utopian dream, was somehow situated in the new world of America," said Vargas

"In modern times, in the political field, this has had fatal results. European utopians who live in countries where their revolutionary dreams are frustrated project their utopias toward Lat-in America. Didn't Regis Debray come here to write a manual teaching us how to carry out revolution quickly and with few people? This game by a student of the Ecole Normale contributed to the death of many young Latin Americans, who are still dying without looking at reality," he said.

One of the characters in "The War of the End of the World" is a wandering Scot, an anarchist with an interest in phrenology, who in his confused search for the revolutionary ideal goes to Canudos in the belief that this is an anarchist utopia when it was,



in fact, a Vendée, a last-ditch resistance to change in the tradi-

tional religious order. Vargas Llosa is an enemy of dictatorships, and strongly criti-cized the military that ran Feru from 1968 until elections last ian government. But he is also disturbed by terrorism and revolutionary violence that grows out

of theories of social redemption. Today in Peru we have a democratic government, here are public liberties, political parties function, anyone can say what he wants. . . . And there are groups here that are exploding bombs, kidnapping people, killing. Do you want a better example of ideological senselessness, of mental schemes that cloud the thinking not of poor peocypte. thinking, not of poor peasants, but of university professors and students," Vargas Llosa said.

The government declared an emergency in five provinces of the department of Ayacucho, sent in 600 national police, and searched the University of Hua-manga, which is believed to be the intellectual center of an extreme leftist Maoist group calling itself "Luminous Path," which advocates "prolonged war" and terrorist action to overthrow the "bourgeois democracy" now in power. More than 200 persons have been arrested since the kill-

ing of two policemen by terror-The release of Vargas Liosa's new novel, during a reception given by Seix, Barral, the Spanish publisher, was a literary event, attended by President Fernando Belaunde Terry, among others, because it was the first time that the Peruvian writer had personally issued one of his creations in

"I have lived abroad a lot, and with the dictatorships here most of my earlier work came out first in Spain," said the anthor of "Conversation in the Cathedral," Spain," said the author of "The City and the Dogs," "The Green House," and "Captain Pantoja and the Special Service." These novels have been widely translated, and "The War of the End of the World" will be published in French by Gallimard. Harper and Row, and Farrar. Strauss are competing for Eng-

Vargas Llosa, 45 years old, has been living here since early this year, when he finished the novel in Washington, D.C., on a fellowship at the Woodrow Wilson Center. He has been producing a weekly television program, "The Tower of Babel," in which subjects range from interviews with Jorge Luis Borges, the Argentine writer, to boxers in Panama, a small country with 14 world ti-

tles.
"Both Borges and Panama's boxers are Latin American cultural expressions. The idea that has guided me in the television program is that culture is not something that is a bore, or ex-clusively for intellectuals, but can be made interesting for everyone," he said at the studio in his modern home, with picture win-dows overlooking the Pacific Ocean covered by a gray mist.

Writer's Retreat

Vargas Llosa, between answering a stream of phone calls, packing for a trip to Spain the next day, and editing materials for his television program, was harassed. The debonair author said he looked forward to the end of the television series after five more

programs.
"I am going to go to London for a while, find some place where no one can telephone me, and write," he said. Patricia, his attractive wife, answered the telephone. "It is from the television. They want to interview you at six tomorrow morning," she said. Vargas Llosa groaned. "Tell them at seven," he said.

The theater is increasingly in teresting for Vargas Llosa. He has a play, "A Young Woman from Tacna," on a successful run in Bucoos Aires, and it will open next month in Brazil.

He said his next writing projects include a theatrical comedy and a new novel, which will be set in a Peruvian highland village when a guerrilla movement be-gins to stir among the Indian

# PEOPLE: Princess Grace Opposes Planned TV Biography

Princess Grace of Monaco is miffed at plans by U.S. producers to make a television biography of her life and career, starring former 'Charlie's Angel" Cheryl Ladd: "It has been brought to our attention that an American TV production company is proposing to make a TV program based on the life and career of Her Serene Highness." said a spokeswoman for the princess, who is the former film star Grace Kelly. "The princess wishes to make it known that this project is being done without her approval or permission and that she strong-ly hopes that it will not come to pass since it is an unauthorized invasion of her privacy." The project, initiated by Ladd, is to be broadcast on ABC at a date yet to be announced. Word of the proposed TV show was telephoned to Princess Grace by friends. The spokeswoman said the palace had not been contacted by anyone connected with the project. Tandem-TAT spokeswoman Barbara Bro-gianti said the producers had tried unsuccessfully to reach Princess. Grace and hoped to gain her coop-eration once details of the project could be revealed. "We're very sorry to hear it," Brogliatti said of Princess Grace's displeasure.

Moulin Rouge cabaret will dance for Britain's Queen Elizabeth II during the annual Royal Command variety show at London's Drury Lane Theatre Nov. 23, the cabaret announced in Paris. . . Britain's Prince Andrew, the pilot of a Royal Navy helicopter in-volved in a dramatic sea rescue last worved in a dramand sea resorte last month, has a new military assignment. Buckingham Palace said the 21-year-old prince, second of Queen Elizabeth's sons, has been assigned to a squadron of anti-submarine helicopters flying support for the cruiser HMS invincible. As part of his duties with the Royal Navy's 820 Squadron, the prince will be trained to drop nuclear depth charges, a Defense Ministry spokesman said.

Deng Xiaoping has a new title to add to his credentials as vice chairman of the Communist Party of the People's Republic of China— he's been given the Chailes Goren award as bridge personality of the year. A citation issued at the world team bridge championship at Rye, N.Y., said Deng "has long been an enthusiast for the great intellectual game of bridge. His interest has given an example to the Chinese

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people, who are quickly finding that bridge playing can lead to in-ternational friendship." ... Pope John Paul II received an unusual title - that of honorary member of the Italian Association of Som-meliers, or wine stewards. The association, which is meeting in Rome, gave the diploma to the Polish-born pontiff during his weekly general audience.

There is nothing especially wrong with the name McDonaly. It just does not happen to be Gregory Medonald's name, and 16 Mcdonald's way of thinking, that is an important distinction. So inportant, in fact, that when the author picked up a copy of his latest paperback thriller and saw the name "McDonaly" printed on kip of each of the novel's 101 left-hand pages, he was not amused, even less so when he realized that the less so when he realized that its multiple misspelling appeared throughout the Dell Publishing Co.'s 300,000-copy first priming of the book, "Who Took Toby Rimator?" "The publisher misspelled my name more than 30 million times—I had to take off my shoes to count that high," Mcdonald said, repeating a line he used in the first of his "Fletch" mysteries in 1974. Dell did get the name right four times in each book—on the cover, spine, title page and copyright institutes in each book—on the cover, spine, title page and copyright institutes in each book—on the cover, spine, title page and copyright institutes in each book—on the cover, spine, title page and copyright institutes in each book—on the cover, spine, title page and copyright institutes the page and copyright institutes th The French cancan troupe of the though the initial print ordering for 300,000 copies he said logis, what fewer had been printed because there had not been sufficient demand for the book.

> Quote - Katharine Hepburg is still going strong at age 74. She opens soon on Broadway in "The West Side Waltz," and her film "On Golden Pond" with Heary and Jane Fonda is scheduled for release in December. She told life release in December. She told Life magazine she never would refire and she expressed her dim view of the acting profession she graces so well: "Acting? A child can act Have you ever seen little Fredde Barthelomew in 'Captains Comageous?' He was brilliant. He was 12. If a child can do it, you can't saw it's all that sensational when a say it's all that sensational when a grown-up does it, can you? It sin't like writing a book or painting a picture!"

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